RAILROAD FACTS

1991 EDITION

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CONTENTS

	Page
Preface	2
Consist of Industry	3
Class I Freight Railroad Systems	4
The Year in Review	5-7
Statistical Notes	8
Statistical Highlights	9
Financial Results:	
Condensed Income Statement	10
Revenue and Expenses	11-15
Taxes	16
NROI and Return on Investment	17-18
Railroad Cost of Capital	19
Ordinary Income and Return on Equity	20-21
Net Working Capital	22
Equipment Obligations	23
Traffic:	
Carloadings, Ton-Miles, Tons, and Revenue	24-29
Revenue Per Ton-Mile and Ton	30-31
Intercity Traffic Distribution	32
Train-Miles and Car-Miles	33-34
Operating Averages	35-41
Plant and Equipment:	
Investment and Capital Expenditures	42-43
Mileage	44-45
Rail and Crossties	46-47
Locomotives and Freight Cars	48-54
Employment and Compensation	55-57
Railroad Cost Recovery Index	58
Rail Cost Adjustment Factor	59
Fuel Consumption and Cost	60
Loss and Damage	61
Profiles of Class I Railroads	62-77
Index	78-80

PREFACE

Railroad Facts was initiated in 1923 when its predecessor, **Railroad Facts, For the Farmer, For the Railroad Man, For the Business Man**, was published by the Western Railways' Committee on Public Relations. In 1927 the title was changed to **Railroad Facts, A Yearbook of Railroad Information**. In 1929 and 1930 the same publication was printed by both the Western Railways' Committee on Public Relations and the Committee on Public Relations of the Eastern Railroads, until the latter took sole possession of the cover's byline in 1931. In 1953 the byline was changed to the Eastern Railroad Presidents' Conference and remained that way until 1965, when the Association of American Railroads (AAR) assumed responsibility for the publication and changed the title to **Yearbook of Railroad Facts**. Finally, in 1983 the AAR changed the title to its present form — **Railroad Facts**.

In spite of the changes in title and publisher, the type of information presented in **Railroad Facts** has remained virtually unchanged. The publication is a timely, pocket-sized, and relatively quick-and-easy-to-use reference guide to major indicators of railroad performance. While comprehensive in scope, it does not provide the detail found in some other AAR publications and data bases as identified below:

1. **Analysis of Class I Railroads**: Annual publication of detailed financial and operating statistics, by railroad and summarized by district and the U.S.
2. Railroad Ten-Year Trends: Annual publication containing over 200 tables and graphs describing Class I, Regional, and Local railroad economics over the past 10 years.
3. **Freight Commodity Statistics**: Quarterly publication identifying gross freight revenues, tonnage, and carloads to 5-digit STCC level for Class I Railroads.
4. **Profiles of U.S. Railroads**: Comprehensive data base and program for the personal computer, based on an annual survey of all U.S. freight railroads. Updated semi-annually.
5. **Revenues, Expenses and Income**: Quarterly publication detailing financial data for Class I railroads.

These publications, and others, are available on an individual basis or as part of an annual "Data Base Membership," offered by the Economics and Finance Department (E&F) of the AAR. To order these publications, contact the E&F department at (202) 639-2302, or write to Publications, Room 5410, 50 F Street, N.W., Washington D.C. 20001.

CONSIST OF INDUSTRY

Railroad Facts is an historical statistical presentation of Class I railroads in the United States. Although Class I railroads dominate the railroad industry, they are not the only classification of railroad. The Interstate Commerce Commission (ICC), the Federal agency responsible for regulating some economic aspects of the industry, classifies railroads by their level of operating revenue — levels which are adjusted annually by inflation. For 1990, the revenue thresholds are:

Railroad Classification	Annual Revenue ($ Million)
Class I	$ 94.4 minimum
Class II	18.9 to 94.3
Class III	18.8 maximum

The ICC historically required all three types of railroads to report their financial and operating information, but after 1979, reporting requirements were eliminated for other than Class I railroads.

To fill the information void, the AAR began its own annual survey of non-Class I railroads. Because the AAR found that the smaller railroads have characteristics other than revenues that make them both similar and distinct, it did not adopt the ICC revenue classes. Rather, it redefined non-Class I railroads as either being Regional or Local. Regional railroads are line-haul railroads operating at least 350 miles of track and/or earning revenue between $40 million and the Class I revenue threshold ($94.4 million in 1990). Local railroads are line-hauls that fall below the Regional criteria, plus Switching and Terminal railroads. As shown below, in 1990 there were 14 Class I railroad systems, 30 Regional railroads, and 486 Local railroads.

Railroad	Number	Miles Operated	Year-end Employees	Freight Revenue ($000)
Class I	14	133,189	209,708	$27,470,520
Regional	30	18,375	11,578	1,263,144
Local	486	24,337	14,257	1,304,203
Total	530	175,909	235,543	$30,067,335

Class I railroad systems comprise only three percent of the number of railroads in this country, but account for 76 percent of the mileage operated, 89 percent of the number of employees, and 91 percent of the freight revenue.

CLASS I FREIGHT RAILROAD SYSTEMS IN THE UNITED STATES — 1990

Atchison, Topeka and Santa Fe Railway Company
Burlington Northern Railroad Company
Chicago and North Western Transportation Company
Consolidated Rail Corporation
CSX Transportation
Florida East Coast Railway Company
Grand Trunk Western Railroad Company
Illinois Central Railroad Company
Kansas City Southern Railway Company
Norfolk Southern Corporation
Soo Line Railroad Company
Southern Pacific / DRGW Companies
  Denver and Rio Grande Western Railroad Company
  Southern Pacific Transportation Company
Union Pacific Railroad Company

THE YEAR IN REVIEW

The financial performance of railroad operations in 1990 improved over the preceding year as return on investment (ROI), for Class I Railroads as a whole, reached its highest recorded level ever. The major reasons for the improvement in earnings were a growth in traffic and continued gains in productivity. These positive factors outweighed the continued decline in freight revenue per ton-mile (a surrogate for railroad freight rates), and inflationary unit cost increases in all four major categories of railroad expenses: labor, fuel, materials and supplies, and other costs.

For the second time ever, railroads handled more than a trillion ton-miles of traffic in 1990, reaching 1.034 trillion, and exceeding the 1989 record of 1.014 trillion by 2.0 percent. The gain in ton-miles was attributable to both a gain in tonnage — up by 1.6 percent to 1.425 billion tons from 1989 to 1990 — and an increase in the average length of haul, up from 723 miles in 1989 to 726 miles in 1990. Coal, the industry's leading commodity, comprising about 41 percent of total railroad tonnage, led the gain in tons originated. Coal tonnage increased 5.l percent, or by about 28 million tons in 1990; coal was followed by chemicals and allied products (up 3.0 percent and 3.6 million tons), and food and kindred products (up 2.8 percent and 2.2 million tons). Railroads recorded declines in tons originated among such commodity groups as farm products, non-metallic minerals, lumber and wood products, transportation equipment, and metallic ores. Originated carloads for all commodities increased by 0.8 percent to 21.4 million in 1990.

Freight revenue increased from $27.06 billion in 1989 to $27.47 billion in 1990. This gain, attributed to the increase in traffic, offset a trend which started in 1983, in which the railroad industry has received progressively less revenue for each unit of service (ton-mile) it provides. Freight revenue per ton-mile declined to 2.657 cents in 1990, from 2.669 cents in 1989, equating to a 0.4 percent drop. Recent studies by both the General Accounting Office and the Interstate Commerce Commission noted that railroad freight rates have fallen since the Staggers Rail Act of 1980.

In spite of increases in traffic and revenue, operating expenses declined from $25.0 billion in 1989 to $24.7 billion in 1990, resulting in a marked improvement in the industry's operating ratio; the 1990 operating ratio (operating expenses to operating revenue) declined to 86.9 percent from 89.6 percent in the preceding year. On a ton-mile basis, operating expenses decreased 3.6 percent to 2.38 cents. This decline was experienced in spite of inflation in railroad labor rates

(3.1 percent), fuel (24.0 percent), materials and supplies (3.8 percent), and other expenses (5.7 percent). Overall railroad inflation increased 5.0 percent from 1989 to 1990.

The major reason for the decline in operating expenses per ton-mile in 1990 was an increase in railroad productivity; this is a continuation of a long-term trend. As shown below, while ton-miles increased 2.0 percent from 1989 to 1990, five major railroad inputs (miles of track, miles of road, freight cars, employees, and gallons of fuel) decreased between 1.7 percent and 5.3 percent. Similarly, as also shown below, over the past 10 years ton-miles increased 12.5 percent, while all five inputs declined; the declines ranged from 20.2 percent for gallons of fuel used to 52.8 percent in the number of employees.

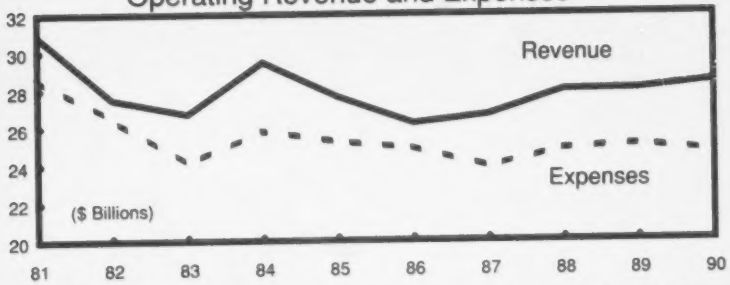
				Percent Change 1990 Versus:	
	1980	1989	1990	1980	1989
Ton-Miles (Bil.)	919	1,014	1,034	12.5	2.0
Miles of Track (Thou.)	271	208	200	-26.2	-3.8
Miles of Road (Thou.)	165	124	120	-27.3	-3.2
Freight Cars (Thou.)	1,168	682	659	-43.6	-3.4
Employees (Thou.)	458	228	216	-52.8	-5.3
Gallons of Fuel (Mil.)	3,904	3,169	3,115	-20.2	-1.7

In view of the increase in freight revenue and the decline in total operating expenses, railroad earnings in 1990 increased from 1989 levels. Net Railway Operating Income increased from $1.9 billion to $2.6 billion, resulting in an ROI of 8.1 percent, up from the 6.3 percent ROI in 1989.

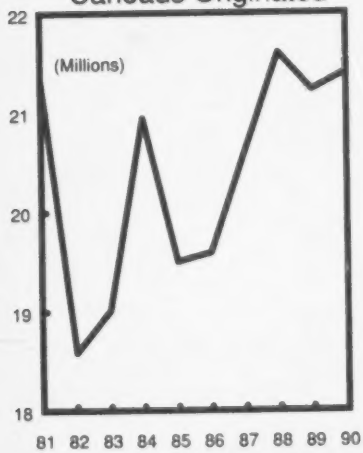
Aside from the improvements identified above, there was some negative news in 1990. There were declines in traffic among a number of commodities and Ordinary Income declined by 2.5 percent from $2.01 billion in 1989 to $1.96 billion in 1990; among other factors, this drop was attributed to a decrease in other (non-operating) income and significant non-recurring expenses. Furthermore, while representing a significant improvement over prior years, the 8.1 percent 1990 ROI for railroads was below the industry's 11.8 percent cost of capital, as determined by the Interstate Commerce Commission.

Note: Due to rounding, the percent changes included in this section may not precisely match those which can be calculated using the numbers as published elsewhere in this publication.

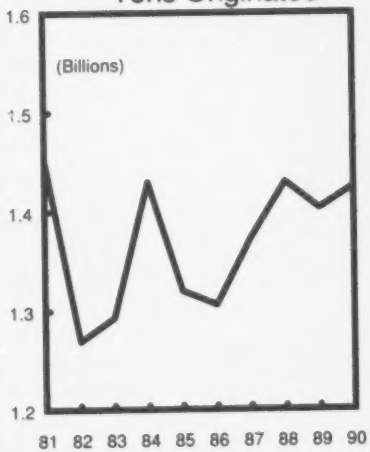
Operating Revenue and Expenses



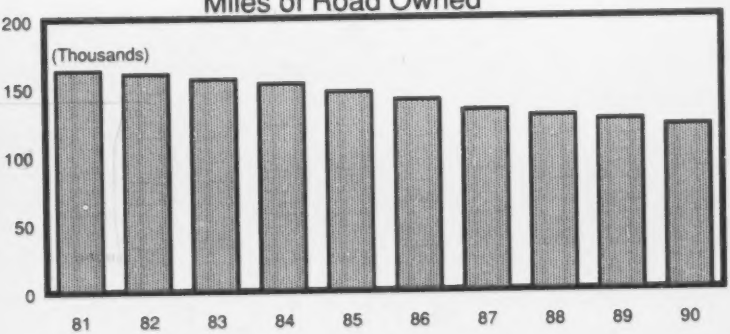
Carloads Originated



Tons Originated



Miles of Road Owned



STATISTICAL NOTES

Unless otherwise noted, data contained in **Railroad Facts** for 1990 includes only Class I freight railroads. All passenger-related information was eliminated beginning in 1989.

The Southern Pacific Transportation Company and St. Louis Southwestern Railway Company began reporting on a combined basis in 1990.

The Boston and Maine was not officially declassified by the ICC until 1989; however data for the Boston and Maine have been excluded from both 1988 and 1989 statistics.

Historical data presented in **Railroad Facts** are not necessarily comparable on a yearly basis because:

1. The consist of Class I railroads has changed throughout the years due to mergers, bankruptcies and declassifications by the ICC.
2. Beginning in 1978, the railroad "Uniform System of Accounts" was refined. Therefore, historical operating expenses are not precisely comparable.
3. In 1983, railroad accounting for track and related structures was changed from "Retirement, Replacement, Betterment" (RRB) to "Ratable Depreciation." Tables in **Railroad Facts** that include a horizontal line between 1982 and 1983 are ones in which the regulatory accounting change has a significant impact.

Due to independent rounding, some numbers may not sum across lines or down columns to the totals shown. Parentheses around a number indicate a deficit. A "—" in a table indicates that data does not exist for that year.

STATISTICAL HIGHLIGHTS

Item	1990	1989	Percent Change
PLANT AND EQUIPMENT:			
Net investment	$48,126,335,000	$47,370,438,000	1.6
Locomotives	18,835	19,015	-0.9
Freight cars*	1,212,261	1,224,422	-1.0
Capital expenditures	$3,639,838,000	$3,708,662,000	-1.9
Locomotives added	706	747	-5.5
Freight cars added*	37,769	29,997	25.9
TRAFFIC:			
Revenue carloadings	21,401,246	21,226,015	0.8
Revenue ton-miles	1,033,969,032,000	1,013,840,982,000	2.0
Revenue per ton-mile	2.657 ¢	2.669 ¢	-0.4
Average length of haul	726	723	0.4
FINANCIAL RESULTS:			
Operating revenue	$28,369,803,000	$27,955,959,000	1.5
Operating expenses	24,651,542,000	25,037,666,000	-1.5
Current taxes	3,339,902,000	3,155,332,000	5.8
Net railway operating income	2,648,258,000	1,894,315,000	39.8
Rate of return on net investment	8.1 %	6.3 %	28.6
Ordinary income	$1,961,127,000	$2,009,094,000	-2.4
EMPLOYMENT AND COMPENSATION:			
Number of employees	216,424	227,548	-4.9
Total compensation	$8,654,186,000	$9,043,221,000	-4.3
Average annual compensation	39,987	39,742	0.6
OPERATIONS:			
Cars per freight train	68.9	68.5	0.6
Tons per carload	66.6	66.1	0.8
Net ton-miles per train-hour	65,188	60,949	7.0
Revenue ton-miles per car loaded	48,313	47,764	1.1
Tons per train load	2,755	2,683	2.7

* All railroads and private car companies

CONDENSED INCOME STATEMENT

(Amounts shown in millions)

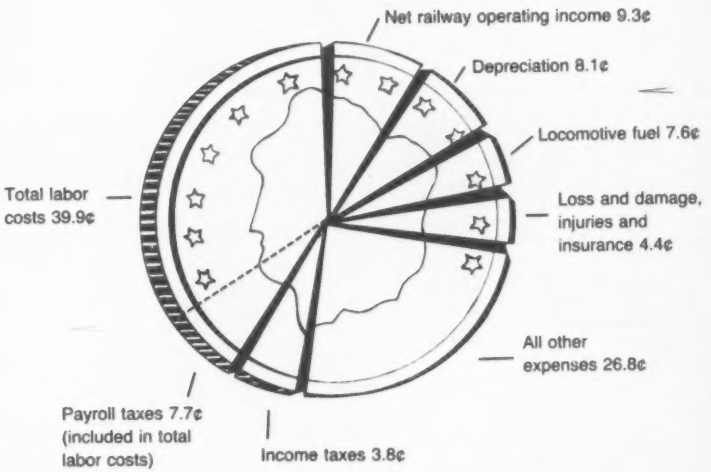
	1990	1989
Total operating revenue	$28,370	$27,956
Freight	27,471	27,059
Passenger	94	91
All other revenue	805	806
Total operating expenses	24,652	25,038
Net operating revenue	3,718	2,918
Other income	1,254	1,453
Miscellaneous deductions	345	210
Interest charges and amortization of discount	1,236	1,112
Income taxes on ordinary income	648	453
Provision for deferred taxes	440	587
Unusual or infrequent items (Dr) Cr	(342)	--
Ordinary income	1,961	2,009
Net railway operating income	2,648	1,894
Rate of return on net investment	8.11 %	6.34 %

DISTRIBUTION OF OPERATING REVENUE

(Amounts shown in millions)

	1990
Total operating revenue	$28,370
Wages charged to expenses	8,070
Health and welfare and pensions	1,070
Payroll taxes	2,177
Total labor costs	11,317
Income taxes on ordinary income	648
Provision for deferred taxes	440
Locomotive fuel	2,170
Loss and damage, injuries and insurance	1,246
Depreciation	2,295
All other expenses	7,605
Total expenses and taxes	25,722
Net railway operating income	2,648

THE REVENUE DOLLAR -- 1990


Net railway operating income 9.3¢
Depreciation 8.1¢
Locomotive fuel 7.6¢
Loss and damage, injuries and insurance 4.4¢
All other expenses 26.8¢
Income taxes 3.8¢
Payroll taxes 7.7¢ (included in total labor costs)
Total labor costs 39.9¢

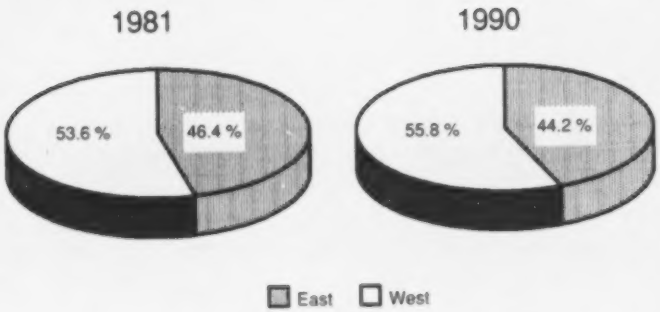
OPERATING REVENUE

In 1990 freight revenue accounted for 96.8 percent of total operating revenue. The remaining 3.2 percent of operating revenue was derived from switching, demurrage, and incidental charges; the latter includes passenger revenue. Freight revenue increased by 1.5 percent from 1989 to 1990.

(Amounts shown in thousands)

Year	United States	East	West
1929	$ 6,279,521	$ 3,886,879	$ 2,392,642
1939	3,995,004	2,480,208	1,514,796
1944	9,436,790	5,416,089	4,020,701
1947	8,684,918	5,137,930	3,546,988
1955	10,106,330	5,815,997	4,290,333
1960	9,514,294	5,291,650	4,222,644
1965	10,207,850	5,651,838	4,556,012
1970	11,991,658	6,544,073	5,447,585
1975	16,401,860	8,535,831	7,866,029
1980	28,257,548	13,588,703	14,668,845
1981	30,898,610	14,879,268	16,019,342
1982	27,503,503	13,357,745	14,145,758
1983	26,729,392	12,217,397	14,511,995
1984	29,453,446	13,566,348	15,887,098
1985	27,586,441	12,918,574	14,667,867
1986	26,204,122	12,235,170	13,968,952
1987	26,622,482	12,302,246	14,320,236
1988	27,934,285	12,490,320	15,443,965
1989	27,955,959	12,380,419	15,575,540
1990	**28,369,803**	**12,511,463**	**15,858,340**

FREIGHT REVENUE



(Amounts shown in thousands)

Year	United States	East	West
1929	$ 4,825,622	$ 2,948,430	$ 1,877,192
1939	3,251,096	2,000,183	1,250,913
1944	6,998,615	3,991,867	3,006,748
1947	7,041,185	4,114,802	2,926,383
1955	8,538,286	4,828,871	3,709,415
1960	8,025,423	4,361,581	3,663,842
1965	8,835,958	4,797,206	4,038,752
1970	10,921,813	5,834,402	5,087,411
1975	15,389,809	7,804,519	7,585,290
1980	26,349,565	12,186,170	14,163,395
1981	28,925,436	13,414,570	15,510,866
1982	25,627,354	11,943,959	13,683,395
1983	25,835,519	11,743,928	14,091,591
1984	28,471,789	13,032,248	15,439,541
1985	26,687,652	12,444,633	14,243,019
1986	25,343,911	11,803,793	13,540,118
1987	25,797,022	11,909,336	13,887,686
1988	27,091,508	12,119,467	14,972,041
1989	27,058,765	11,997,588	15,061,177
1990	**27,470,520**	**12,132,224**	**15,338,296**

OPERATING EXPENSES

Operating expenses are comprised of labor, materials and supplies, fuel, depreciation, purchased services, and other miscellaneous expenses; they exclude fixed charges and income taxes. From 1989 to 1990, operating expenses declined 1.5 percent, reflecting a 1.4 percent decline in the East and a 1.6 percent decrease in the West.

There are four basic functional categories of operating expense. The largest is transportation (expenses such as train crews and fuel), which accounted for 45.7 percent of operating expenses in 1990. Other expenses include maintenance of equipment (25.8 percent), maintenance of way and structures (17.4 percent), and general and administrative (11.1 percent).

(Amounts shown in thousands)

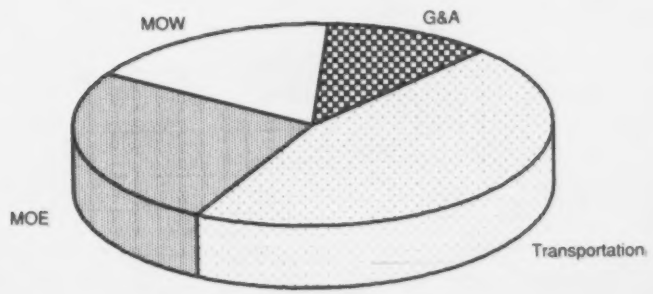
Year	United States	East	West
1929	$ 5,109,118	$ 3,178,515	$ 1,930,603
1939	3,511,310	2,146,791	1,364,519
1944	7,179,655	4,274,939	2,904,716
1947	7,725,423	4,690,308	3,035,115
1955	8,621,255	4,989,032	3,632,223
1960	7,565,336	4,269,559	3,295,777
1965	7,849,841	4,344,074	3,505,767
1970	9,659,982	5,370,288	4,289,694
1975	15,935,542	8,517,851	7,417,691
1980	26,355,103	12,866,001	13,489,102
1981	28,586,890	13,740,751	14,846,139
1982	26,490,265	12,962,259	13,528,006
1983	24,106,254	11,017,643	13,088,611
1984	25,800,454	11,695,740	14,104,714
1985	25,225,295	11,947,595	13,277,700
1986	24,896,015	10,996,766	13,899,249
1987	23,878,116	11,208,727	12,669,389
1988	24,811,138	11,134,887	13,676,251
1989	25,037,666	10,760,634	14,277,032
1990	**24,651,542**	**10,609,981**	**14,041,561**

PRINCIPAL CATEGORIES OF EXPENSE

(Amounts shown in thousands)

Year	Trans-portation	Maintenance of Equipment	Maintenance of Way and Structures	General and Administrative
1929	$ 2,079,954	$1,202,912	$ 855,355	$ 970,897
1939	1,417,794	765,935	466,831	860,750
1944	2,973,910	1,587,485	1,263,292	1,354,968
1947	3,476,433	1,558,011	1,212,096	1,478,883
1955	3,769,856	1,787,739	1,387,494	1,676,166
1960	3,832,882	1,759,828	1,191,690	780,936
1965	4,020,161	1,774,878	1,235,801	819,001
1970	4,873,299	2,165,254	1,612,585	1,008,844
1975	6,735,741	2,856,203	2,408,980	3,934,618
1980	12,704,116	6,412,433	4,940,091	2,291,966
1981	13,605,130	6,866,503	5,535,815	2,579,439
1982	12,366,145	6,413,196	5,208,584	2,502,340
1983	11,377,290	6,070,391	4,107,246	2,551,322
1984	12,281,567	6,572,696	4,250,275	2,695,931
1985	11,721,539	6,349,579	4,332,663	2,821,529
1986	10,196,636	6,573,065	4,779,691	3,346,623
1987	10,380,722	6,093,534	4,338,334	3,065,526
1988	10,827,267	6,109,116	4,397,528	3,477,227
1989	11,169,208	6,178,666	4,431,101	3,258,691
1990	**11,276,732**	**6,349,784**	**4,278,075**	**2,746,951**

1990



TAXES

In 1990 railroad taxes amounted to $3.8 billion, a 1.0 percent increase from 1989. Payroll taxes comprised 57.6 percent of railroad taxes in 1990, followed by Federal income taxes (16.7 percent), other taxes (14.1 percent), and deferred taxes (11.6 percent). Deferred taxes are defined as Federal and state income taxes due in future years. A negative deferred tax may arise, for example, when a loss carry-forward eliminates the previously accrued deferred tax and creates a credit. Other taxes are made up of other U.S. government taxes, state and local income taxes, and miscellaneous taxes.

(Amounts shown in thousands)

Year	Total Taxes	Payroll Taxes	Federal Income Taxes	Deferred Taxes	Other Taxes (Current)
1929	$ 396,683	--	$ 89,444	--	$ 307,239
1939	355,678	$ 105,549	32,836	--	217,293
1944	1,846,043	238,950	1,304,377	--	302,716
1947	936,394	353,430	297,647	--	285,317
1955	1,080,413	283,843	414,299	--	382,271
1960	998,799	394,156	202,903	--	401,740
1965	916,494	395,224	163,656	--	357,614
1970	1,068,518	575,911	88,350	--	404,257
1975	1,706,411	1,088,501	58,122	$ 114,525	445,263
1980	2,585,342	1,629,779	249,764	281,465	424,334
1981	3,280,178	1,888,792	(4,505)	936,578	459,313
1982	2,628,119	1,952,698	(49,567)	399,188	325,800
1983	3,013,608	1,794,578	(51,805)	894,813	376,022
1984	3,604,853	2,054,140	200,693	930,284	419,736
1985	3,168,603	2,121,858	259,507	365,060	422,178
1986	2,727,625	2,182,608	442,426	(326,542)	429,133
1987	3,552,724	2,096,674	594,991	369,871	491,188
1988	3,871,145	2,189,038	489,548	633,789	558,770
1989	3,742,233	2,174,194	471,698	586,901	509,440
1990	**3,780,309**	**2,177,411**	**636,861**	**440,407**	**525,630**

NET RAILWAY OPERATING INCOME

The "as reported" net railway operating income (NROI) is the remainder of operating revenues after deducting operating expenses, current and deferred taxes, and rents for equipment and joint facilities. NROI excludes non-operating income and expenses and fixed charges (interest expenses).

The "Revenue Adequacy" NROI's shown for years 1985 through 1987 are based on procedures promulgated by the ICC in Ex Parte No. 393 Standards for Revenue Adequacy (Standards) which adopted the use of depreciation accounting in lieu of RRB. Since 1988, NROI includes the following items which were adopted by the Standards: (1) the inclusion of NROI's of affiliated Class II and Class III railroads and any other affiliates which meet certain tests, (2) an adjustment to exclude tax expenses not related to rail operations, (3) the inclusion of certain interest income, and (4) the gain (loss) from certain land or segment sales, transfers or reclassifications from rail to non-rail operations.

(Amounts shown in thousands)

Year	As Reported	Revenue Adequacy
1955	$1,127,997	--
1960	584,016	--
1965	961,516	--
1970	485,854	--
1975	350,682	--
1980	1,338,551	N/P
1981	1,360,611	N/P
1982	742,231	N/P
1983	1,837,854	N/P
1984	2,536,673	N/P
1985	1,746,386	$1,727,759
1986	506,591	485,605
1987	1,756,460	1,744,354
1988	1,979,719	2,504,138
1989	1,894,315	2,364,724
1990	**2,648,258**	**3,060,097**

N/P - not published by the ICC

RATE OF RETURN ON NET INVESTMENT

The rate of return on net investment (ROI) represents the ratio of net railway operating income (NROI) to average net investment in transportation property. For years prior to 1985 the ROI's are based on Class I railroad annual reports to the ICC. In 1985 and subsequent years, the ROI's are based on the ICC's Revenue Adequacy Standards, which have resulted in adjustments to NROI and average net investment. The adjustments to NROI and the average net investment base are discussed herein on pages 17 and 42.

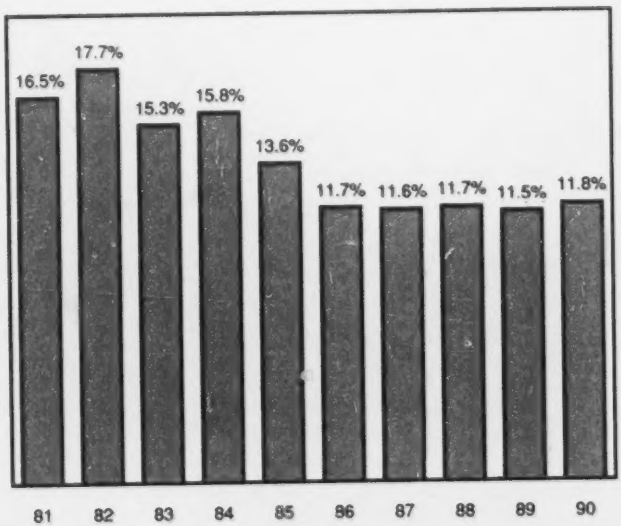
Year	United States	East	West
1929	5.30 %	5.63 %	4.85 %
1939	2.56	3.07	1.85
1944	4.70	4.61	4.82
1947	3.44	3.15	3.82
1955	4.22	4.49	3.86
1960	2.13	1.91	2.40
1965	3.69	3.50	3.87
1970	1.73	0.68	3.02
1975	1.20	n.m.	2.65
1980	4.22	2.78	5.56
1981	3.98	3.76	4.18
1982	2.11	1.54	2.65
1983	4.29	4.17	4.40
1984	5.70	6.09	5.34
1985	4.58	3.92	5.25
1986	1.30	3.81	n.m.
1987	4.75	3.33	6.29
1988	6.73	5.61	7.90
1989	6.34	6.73	5.98
1990	**8.11**	**7.90**	**8.30**

n.m. - not meaningful (negative value)

RAILROAD COST OF CAPITAL

Year	Debt	Equity	Total	Capital Structure Debt	Capital Structure Equity
1978	8.4 %	13.0 %	11.2 %	40.0 %	60.0 %
1979	9.0	13.5	11.7	40.0	60.0
1980	10.0	13.5	12.1	40.0	60.0
1981	13.7	18.3	16.5	40.0	60.0
1982	14.0	19.8	17.7	37.0	63.0
1983	11.7	16.8	15.3	29.4	70.6
1984	12.8	17.3	15.8	33.9	66.1
1985	11.1	14.6	13.6	28.8	71.2
1986	8.9	13.3	11.7	34.8	65.2
1987	9.3	12.6	11.6	30.6	69.4
1988	9.7	12.6	11.7	31.0	69.0
1989	9.7	12.4	11.5	31.8	68.2
1990	**9.8**	**12.9**	**11.8**	**34.7**	**65.3**

Note: Based on the ICC's annual cost of capital calculation.



ORDINARY INCOME

Ordinary income is defined as net operating revenue (operating revenue less operating expenses), plus net other income, less fixed charges, less unusual or infrequent items, and less income taxes. In 1990, ordinary income declined by 2.4 percent from the preceding year.

(Amounts shown in thousands)

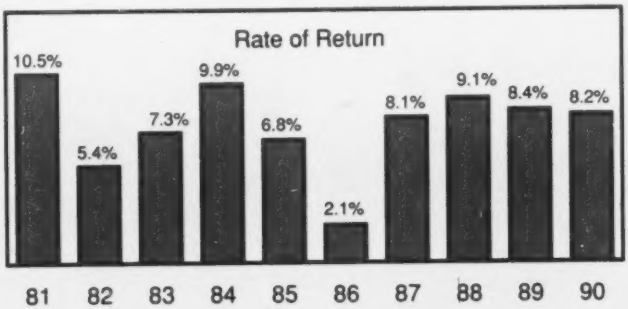
Year	United States	East	West
1929	$ 896,807	$ 560,038	$ 336,769
1939	93,182	122,074	(28,892)
1944	667,188	363,459	303,729
1947	478,875	216,370	262,505
1955	927,122	503,093	424,029
1960	444,640	162,663	281,977
1965	814,629	367,942	446,687
1970	226,583	(116,783)	343,366
1975	144,362	(156,013)	300,375
1980	1,129,392	400,670	728,722
1981	2,041,265	978,245	1,063,020
1982	1,151,548	669,390	482,158
1983	1,777,916	897,755	880,161
1984	2,653,814	1,488,704	1,165,110
1985	1,788,151	779,626	1,008,525
1986	746,965	977,011	(230,046)
1987	1,965,475	810,116	1,155,359
1988	2,286,003	914,448	1,371,555
1989	2,009,094	1,127,238	881,856
1990	**1,961,127**	**1,262,792**	**698,335**

RATE OF RETURN ON SHAREHOLDERS' EQUITY

The rate of return on shareholders' equity (ROE) represents the ratio of net income (after income from outside sources, payment of fixed charges, adjustment for extraordinary items, and cumulative effect of changes in Accounting Principles) to shareholders' equity (the sum of capital stock, additional paid-in capital, and retained earnings).

(Amounts shown in thousands)

Year	Net Income	Average Shareholders' Equity	Average Rate of Return on Equity
1960	$ 444,639	$17,312,733	2.57 %
1965	814,628	17,746,696	4.59
1970	76,179	17,546,055	0.43
1975	278,819	14,943,468	1.87
1980	1,129,392	18,777,051	6.01
1981	2,140,905	20,320,268	10.54
1982	1,151,548	21,199,739	5.43
1983	1,797,483	24,775,112	7.26
1984	2,701,064	27,171,974	9.94
1985	1,881,522	27,528,127	6.83
1986	544,407	25,968,536	2.10
1987	2,055,221	25,528,850	8.05
1988	2,381,782	26,156,259	9.11
1989	2,202,808	26,110,281	8.44
1990	**1,977,411**	**24,170,700**	**8.18**



NET WORKING CAPITAL

Net working capital is calculated by deducting current liabilities, including debt due within one year, from current assets, which includes the materials and supplies accounts.

(Amounts shown in millions)

Year	Current Assets	Current Liabilities	Net Working Capital
1929	$1,718	$1,201	$ 517
1939	1,293	2,556	(1,263)
1944	4,488	2,844	1,644
1947	3,576	1,943	1,633
1955	3,738	2,138	1,600
1960	2,909	2,231	678
1965	3,183	2,526	657
1970	3,583	3,524	59
1975	4,641	4,573	68
1980	8,678	7,756	922
1981	9,665	7,973	1,692
1982	8,813	7,442	1,372
1983	8,804	7,479	1,325
1984	9,821	7,977	1,844
1985	9,350	8,267	1,084
1986	9,132	8,390	743
1987	8,216	8,182	34
1988	8,403	8,593	(190)
1989	6,735	8,854	(2,119)
1990	**5,699**	**9,204**	**(3,505)**

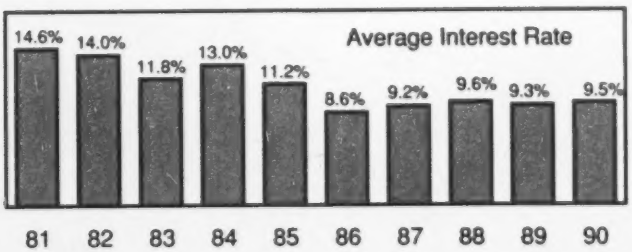
EQUIPMENT OBLIGATIONS

In 1990 new issuances of equipment debt decreased by 71 percent, reversing last year's trend. The interest rate on new debt rose to 9.50 percent from 9.25 in 1989. Continuing a trend of the 1980's, new debt was less than the amount of older debt retired during the year, resulting in a reduction of total outstanding debt.

(Amounts shown in millions)

Year	Issued During Year	Outstanding at End of Year	Average Interest Rate on New Debt
1955	$ 279.8	$2,532.2	3.07 %
1960	298.2	2,352.5	4.52
1965	803.5	2,771.4	4.55
1970	676.4	3,913.3	8.78
1975	1,035.5	4,669.1	8.85
1980	1,043.4	6,164.1	12.24
1981	704.8	6,204.4	14.56
1982	251.5	5,740.8	13.96
1983	236.5	5,130.8	11.75
1984	221.0	4,690.7	12.99
1985	569.8	4,352.9	11.24
1986	161.3	3,927.3	8.63
1987	140.3	3,254.0	9.18
1988	155.7	3,176.9	9.57
1989	329.8	2,997.3	9.25
1990	**95.8**	**2,838.7**	**9.50**

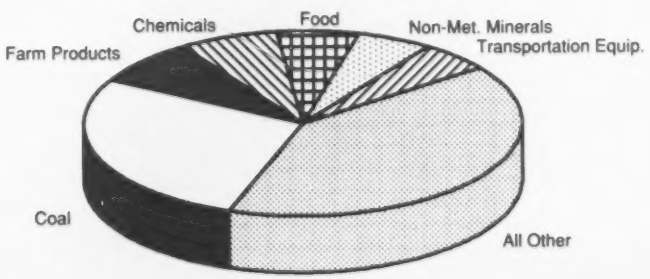
Note: Average interest rates are based on "Analytical Record of Yields and Yield Spreads," Salomon Brothers, Inc. 1989 and 1990 based on AAR survey.



ORIGINATED CARLOADS

Year	United States	East	West
1929	36,821,868	22,991,388	13,830,480
1939	24,119,098	15,448,912	8,670,186
1944	36,540,944	22,615,873	13,925,071
1947	36,966,971	23,335,585	13,631,386
1955	32,761,707	20,135,326	12,626,381
1960	27,886,950	16,746,199	11,140,751
1965	28,344,381	17,639,252	10,705,129
1970	27,015,020	16,374,725	10,640,295
1975	22,929,843	13,527,350	9,402,493
1980	22,223,000	12,231,371	9,991,629
1981	21,342,987	11,767,498	9,575,489
1982	18,584,760	10,293,958	8,290,802
1983	19,013,250	10,418,503	8,594,747
1984	20,945,536	11,406,958	9,538,578
1985	19,501,242	10,828,217	8,673,025
1986	19,588,666	10,722,387	8,866,279
1987	20,602,204	11,036,328	9,565,876
1988	21,599,993	11,204,909	10,395,084
1989	21,226,015	11,083,414	10,142,601
1990	**21,401,246**	**11,015,518**	**10,385,728**

Carloads Originated – 1990



CARLOADS BY COMMODITY

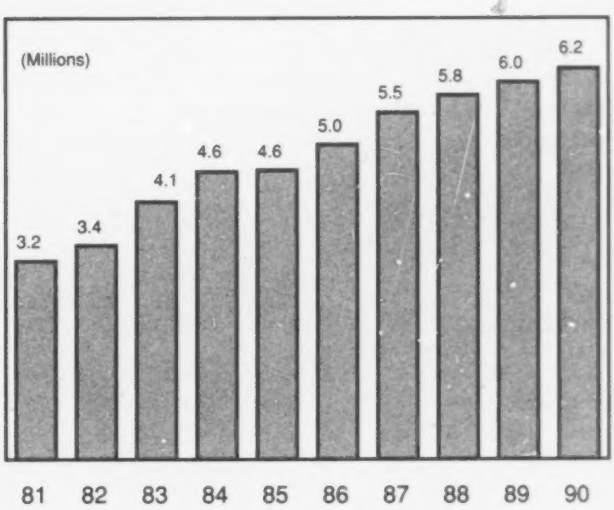
Freight carloadings rose 0.8 percent from 1989 to 1990. The increase was fueled primarily by a rise in coal carloadings. Coal, by far the predominant railroad commodity, experienced a 4.2 percent increase in carloadings, while farm product loadings, including grain, fell by 5.1 percent.

(Carloads shown in thousands)

Commodity Group	Carloads 1990	Carloads 1989	Change Cars	Change Percent
Coal	5,912	5,672	240	4.2 %
Farm Products	1,690	1,781	(91)	(5.1)
Chemicals and allied products	1,531	1,486	45	3.0
Food and kindred products	1,307	1,284	23	1.8
Non-metallic minerals	1,202	1,254	(52)	(4.1)
Transportation Equipment	1,091	1,141	(50)	(4.4)
Lumber and wood products	780	843	(63)	(7.5)
Pulp, paper and allied products	611	615	(4)	(0.7)
Petroleum products	573	561	12	2.1
Stone, clay and glass products	539	565	(26)	(4.6)
Metallic ores	508	523	(15)	(2.9)
Primary metal products	477	452	25	5.5
Waste and scrap material	439	444	(5)	(1.1)
Forwarder and shipper association traffic	146	212	(66)	(31.1)
All other carloads	4,595	4,393	202	4.6
Total carloads originated	**21,401**	**21,226**	**175**	**0.8**

Note: This table is changed from previous years' format and now contains commodity groupings identical to those found on page 29 for tonnage and revenue.

INTERMODAL LOADINGS



Year	Trailers & Containers
1965	1,664,929
1970	2,363,200
1975	2,238,117
1980	3,059,402
1981	3,150,522
1982	3,396,973
1983	4,090,078
1984	4,565,743
1985	4,590,952
1986	4,997,229
1987	5,503,819
1988	5,779,547
1989	5,987,355 *r*
1990	**6,206,782** *p*

r - revised

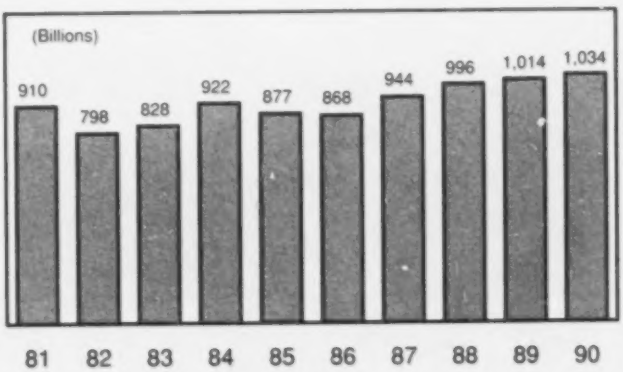
p - preliminary

Note: Includes other than Class I railroads.

REVENUE TON-MILES

(Amounts shown in millions)

Year	United States	East	West
1929	447,322	286,584	160,738
1939	333,438	211,570	121,868
1944	737,246	428,096	309,150
1947	654,728	383,210	271,518
1955	623,615	347,146	276,469
1960	572,309	305,422	266,887
1965	697,878	376,314	321,564
1970	764,809	394,500	370,309
1975	754,252	358,169	396,083
1980	918,958	372,021	546,937
1981	910,169	363,423	546,746
1982	797,759	320,576	477,183
1983	828,275	321,585	506,690
1984	921,542	354,539	567,003
1985	876,984	340,314	536,670
1986	867,722	326,591	541,131
1987	943,747	346,350	597,397
1988	996,182	355,919	640,263
1989	1,013,841	356,321	657,520
1990	**1,033,969**	**368,924**	**665,045**

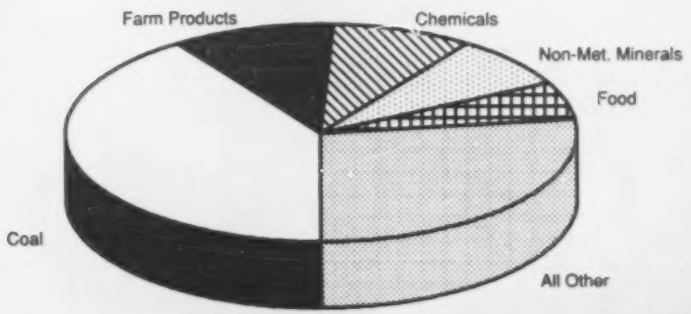


ORIGINATED TONNAGE

(Amounts shown in thousands)

Year	United States	East	West
1929	1,339,091	872,186	466,905
1939	901,669	604,396	297,273
1944	1,491,491	963,561	527,930
1947	1,537,546	1,005,498	532,048
1955	1,396,339	877,935	518,404
1960	1,240,654	762,673	477,981
1965	1,387,423	875,765	511,658
1970	1,484,919	909,135	575,784
1975	1,395,055	816,279	578,776
1980	1,492,414	806,296	686,118
1981	1,453,022	784,899	668,123
1982	1,268,645	694,583	574,062
1983	1,292,607	694,940	597,667
1984	1,429,388	759,955	669,433
1985	1,319,794	723,250	596,544
1986	1,305,839	719,313	586,526
1987	1,372,262	745,636	626,626
1988	1,429,510	745,584	683,926
1989	1,402,621	742,409	660,212
1990	**1,424,880**	**746,984**	**677,897**

Tons Originated — 1990



TONS ORIGINATED AND REVENUE BY COMMODITY

The volume of revenue freight originated increased by 1.6 percent from 1989 to 1990, due primarily to a 5.1 percent increase in coal tonnage. Coal represents 40.7 percent of railroad tonnage originated. Farm product originations, which account for 10.3 percent of the total, dropped by 6,964 thousand tons, or 4.5 percent.

	Tons Originated		Revenue	
Commodity Group	Tons (000)	% of Total	(million $)	% of Total
Coal	579,251	40.7 %	$ 6,954	23.4 %
Farm products	147,399	10.3	2,422	8.1
Chemicals & allied products	126,175	8.9	3,933	13.2
Non-metallic minerals	109,303	7.7	885	3.0
Food & kindred products	81,216	5.7	2,188	7.3
Lumber & wood products	53,173	3.7	1,390	4.7
Metallic ores	47,009	3.3	408	1.4
Stone, clay & glass products	43,666	3.1	931	3.1
Petroleum products	39,519	2.8	918	3.1
Primary metal products	37,576	2.6	979	3.3
Pulp, paper & allied products	33,011	2.3	1,486	5.0
Waste & scrap materials	28,378	2.0	504	1.7
Transportation equipment	22,895	1.6	3,100	10.4
Subtotal	1,348,571	94.6	26,098	87.7
All other	76,309	5.4	3,677	12.3
Total	**1,424,880**	**100.0**	**29,775**	**100.0**

Note: The total revenue shown here does not match freight revenue shown elsewhere in this publication. The commodity-specific revenue identified above is derived from a report based on traffic handled in 1990 and does not include adjustments for revenue absorption and corrections.

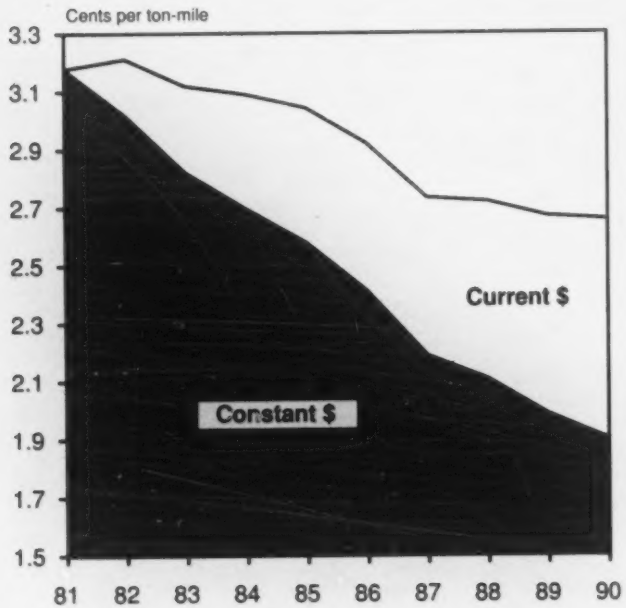
FREIGHT REVENUE PER TON-MILE AND PER TON

Freight revenue per ton-mile is calculated by dividing freight revenue by total revenue freight ton-miles, and freight revenue per ton is calculated by dividing freight revenue by total tons originated. Freight revenue per ton-mile is often viewed as a surrogate for railroad rates. While the standard does not precisely measure rates because it is affected by changes in traffic composition and length of haul, it does record the amount of revenue received by railroads for providing the basic transportation service—that is, the hauling of weight over distance. The constant dollar figures shown on page 31 are the current dollar revenue deflated by the GNP Implicit Price Deflator.

Year	Revenue Per Ton-Mile	Revenue Per Ton Originated
1929	1.076 ¢	$ 3.60
1939	0.973	3.61
1944	0.949	4.69
1947	1.076	4.58
1955	1.370	6.11
1960	1.403	6.47
1965	1.266	6.37
1970	1.428	7.36
1975	2.041	11.03
1980	2.867	17.66
1981	3.178	19.91
1982	3.212	20.20
1983	3.119	19.99
1984	3.090	19.92
1985	3.043	20.22
1986	2.921	19.41
1987	2.733	18.80
1988	2.720	18.95
1989	2.669	19.29
1990	**2.657**	**19.28**

FREIGHT REVENUE PER TON-MILE IN CURRENT AND CONSTANT 1981 DOLLARS

Year	Current	Constant
1981	3.178 ¢	3.178 ¢
1982	3.212	3.019
1983	3.119	2.822
1984	3.090	2.697
1985	3.043	2.579
1986	2.921	2.413
1987	2.733	2.188
1988	2.720	2.108
1989	2.669	1.986
1990	**2.657**	**1.899**



U.S. INTERCITY REVENUE FREIGHT TON-MILE DISTRIBUTION BY MODE

(Amounts shown in billions)

Year	Railroads	Trucks	Great Lakes	Rivers and Canals	Oil Pipe-lines	Air	Total
1929	455	20	97	9	27	*	607
1939	339	53	76	20	56	*	544
1944	747	58	119	31	133	*	1,088
1950	597	173	112	52	129	*	1,063
1960	579	285	99	121	229	1	1,314
1970	771	412	114	205 r	431	3	1,936
1980	932	555	96	311	588	5	2,487
1988	1,028	700 r	83	355	601 r	9	2,776 r
1989	1,048	716	82 r	366 r	591 r	10	2,813 r
1990	**1,080**	**735**	**81**	**380**	**585**	**10**	**2,871**
			Percent of Total				
1929	74.9	3.2	16.0	1.4	4.4	0.0	100.0
1939	62.3	9.7	14.0	3.7	10.3	0.0	100.0
1944	68.6	5.4	10.9	2.9	12.2	0.0	100.0
1950	56.2	16.3	10.5	4.9	12.2	0.0	100.0
1960	44.1	21.7	7.6	9.2	17.4	0.1	100.0
1970	39.8	21.3	5.9	10.6 r	22.3	0.2	100.0
1980	37.5	22.3	3.9	12.5	23.6	0.2	100.0
1988	37.0	25.2 r	3.0	12.8	21.6 r	0.3	100.0
1989	37.3	25.5	2.9 r	13.0 r	21.0 r	0.4 r	100.0
1990	**37.6**	**25.6**	**2.8**	**13.2**	**20.4**	**0.3**	**100.0**

* less than 1

r - revised

Note: Includes non-Class I railroads.

Source: Eno Foundation for Transportation, Inc.

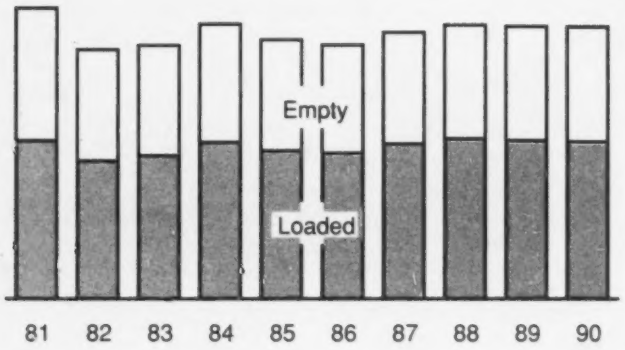
FREIGHT TRAIN-MILES

A train-mile is the movement of a train the distance of one mile. Train-miles are based on the distance run between terminals and/or stations.

(Amounts shown in thousands)

Year	United States	East	West
1929	613,444	352,104	261,340
1939	451,991	249,255	202,736
1944	698,761	381,713	317,048
1947	616,071	333,263	282,808
1955	476,444	247,493	228,951
1960	404,464	200,200	204,264
1965	420,962	208,367	212,595
1970	427,065	206,096	220,969
1975	402,557	183,855	218,702
1980	428,498	177,737	250,761
1981	407,520	167,075	240,445
1982	344,936	141,760	203,176
1983	345,916	136,509	209,407
1984	369,403	146,120	223,283
1985	347,292	140,389	206,903
1986	347,234	135,127	212,107
1987	360,692	135,526	225,166
1988	379,271	139,665	239,606
1989	382,661	136,049	246,611
1990	**379,582**	**135,906**	**243,675**

FREIGHT CAR-MILES



(Amounts shown in millions)

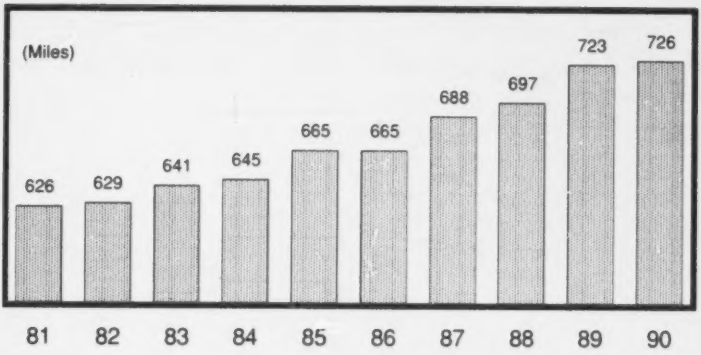
Year	United States	East	West
1929	29,142	17,279	11,863
1939	21,782	12,589	9,193
1944	36,620	20,446	16,174
1947	32,201	17,662	14,539
1955	31,198	16,161	15,037
1960	28,170	14,173	13,997
1965	29,336	14,958	14,378
1970	29,890	14,648	15,242
1975	27,656	12,833	14,823
1980	29,277	12,009	17,268
1981	27,968	11,373	16,595
1982	23,951	9,898	14,053
1983	24,358	9,822	14,536
1984	26,409	10,644	15,765
1985	24,920	10,325	14,595
1986	24,414	9,917	14,497
1987	25,627	10,310	15,317
1988	26,339	10,393	15,946
1989	26,196	10,068	16,128
1990	**26,159**	**10,036**	**16,124**

AVERAGE CARS PER FREIGHT TRAIN

The average number of cars per freight train increased substantially from 1929 to the mid-1950's. However, with the introduction of larger freight cars into the fleet, the average number of cars per freight train has levelled off to about 70 cars over the past 30 years.

Year	United States	East	West
1929	47.6	49.1	45.5
1939	48.1	50.5	45.3
1944	52.3	53.6	50.9
1947	52.2	53.0	51.3
1955	65.5	65.3	65.6
1960	69.6	70.8	68.4
1965	69.6	71.8	67.6
1970	70.0	71.1	69.0
1975	68.6	69.8	67.7
1980	68.3	67.6	68.9
1981	68.6	68.1	69.0
1982	69.4	69.8	69.2
1983	70.4	72.0	69.4
1984	71.5	72.8	70.6
1985	71.8	73.5	70.5
1986	70.3	73.4	68.3
1987	71.0	76.1	68.0
1988	69.4	74.4	66.6
1989	68.5	74.0	65.4
1990	**68.9**	**73.8**	**66.2**

AVERAGE LENGTH OF HAUL



Year	Average Length of Haul (miles)
1929	334.1
1939	369.8
1944	223.6
1947	479.5
1955	446.6
1960	461.3
1965	503.0
1970	515.1
1975	540.7
1980	615.8
1981	626.4
1982	628.8
1983	640.8
1984	644.7
1985	664.5
1986	664.5
1987	687.7
1988	696.9
1989	722.8
1990	**725.7**

AVERAGE TONS PER TRAIN LOAD AND PER CARLOAD

The average freight train carried 2,755 tons of freight in 1990. The average represents net ton-miles per freight train-mile. An average carload weighed 66.6 tons.

	Average Tons Per	
Year	Train Load	Carload
1929	804	35.4
1939	806	36.8
1944	1,124	40.3
1947	1,131	41.0
1955	1,359	42.4
1960	1,453	44.4
1965	1,685	48.9
1970	1,820	54.9
1975	1,938	60.8
1980	2,222	67.1
1981	2,265	68.1
1982	2,345	68.3
1983	2,432	68.0
1984	2,543	68.2
1985	2,574	67.7
1986	2,552	66.7
1987	2,644	66.6
1988	2,662	66.2
1989	2,683	66.1
1990	**2,755**	**66.6**

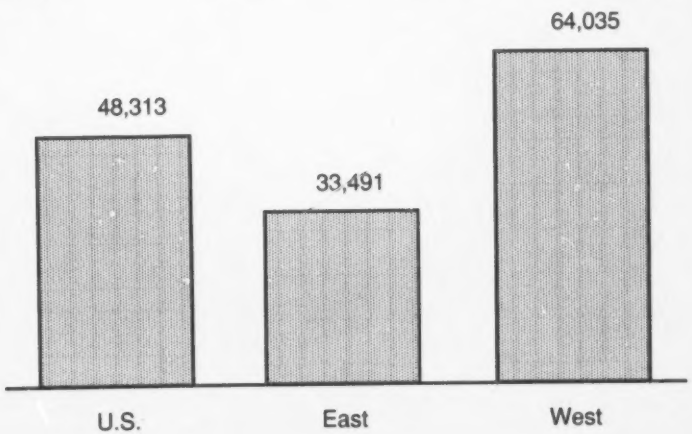
NET TON-MILES PER TRAIN-HOUR

Net ton-miles per train-hour is a statistic which reflects both the number of tons hauled and miles travelled during an average hour of a freight train's operation. Beginning in 1980, the average is not precisely comparable with prior years due to an ICC definitional change requiring the inclusion of terminal delay time in counting train-hours.

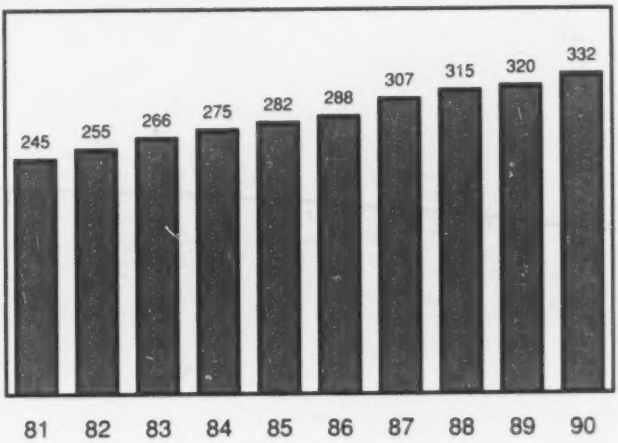
Year	United States	East	West
1929	10,580	10,601	9,568
1939	13,450	13,537	12,108
1944	17,623	17,811	17,470
1947	18,126	18,566	17,942
1955	25,314	24,489	25,985
1960	28,397	27,291	29,757
1965	33,815	31,975	36,228
1970	36,578	34,335	39,564
1975	38,778	34,628	43,764
1980	40,392	31,037	50,335
1981	43,109	33,434	53,396
1982	50,232	40,763	59,532
1983	49,413	37,363	62,155
1984	54,465	43,846	64,128
1985	56,343	44,709	67,392
1986	57,393	45,791	67,649
1987	58,703	46,769	68,993
1988	57,335	44,026	68,951
1989	60,949	49,243	69,971
1990	**65,188**	**56,113**	**71,619**

REVENUE TON-MILES PER CAR LOADED

Year	United States	East	West
1929	12,148	12,465	11,622
1939	13,825	13,695	14,056
1944	20,176	18,929	22,201
1947	17,711	16,422	19,919
1955	19,035	17,241	21,896
1960	20,522	18,238	23,956
1965	24,621	21,334	30,038
1970	28,311	24,092	34,803
1975	32,894	26,477	42,125
1980	41,352	30,415	54,740
1981	42,645	30,884	57,098
1982	42,925	31,142	57,556
1983	43,563	30,867	58,953
1984	43,997	31,081	59,443
1985	44,971	31,428	61,878
1986	44,297	30,459	61,032
1987	45,808	31,383	62,451
1988	46,120	31,765	61,593
1989	47,764	32,149	64,828
1990	**48,313**	**33,491**	**64,035**



REVENUE TON-MILES PER GALLON OF FUEL CONSUMED

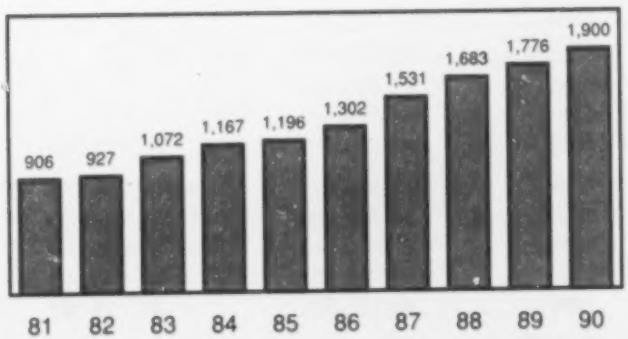


Year	Revenue Ton-Miles (millions)	Fuel Consumed In Freight Service (million gallons)	Revenue Ton-Miles Per Gallon Of Fuel Consumed
1955	623,615	3,384	184
1960	572,309	3,463	165
1965	697,878	3,592	194
1970	764,809	3,181	240
1975	754,252	3,657	206
1980	918,958	3,904	235
1981	910,169	3,722	245
1982	797,759	3,130	255
1983	828,275	3,112	266
1984	921,542	3,355	275
1985	876,984	3,110	282
1986	867,722	3,008	288
1987	943,747	3,079	307
1988	996,182	3,159	315
1989	1,013,841	3,169	320
1990	**1,033,969**	**3,115**	**332**

REVENUE TON-MILES PER EMPLOYEE AND EMPLOYEE-HOUR

Year	Freight Revenue Ton-Miles Per: Employee (millions)	Employee-Hour
1929	0.3	108
1939	0.4	141
1944	0.5	194
1947	0.5	191
1955	0.6	262
1960	0.8	327
1965	1.1	469
1970	1.4	584
1975	1.6	690
1980	2.1	863
1981	2.2	906
1982	2.2	927
1983	2.6	1,072
1984	2.9	1,167
1985	2.9	1,196
1986	3.2	1,302
1987	3.8	1,531
1988	4.2	1,683
1989	4.5	1,776
1990	**4.8**	**1,900**

Revenue Ton-Miles per Employee-Hour



RAILROAD NET INVESTMENT

The "as reported" net investment figures as shown below for years prior to 1978 are based on the year-end net investment in road and equipment, plus cash and materials and supplies. Based on ICC procedures, since 1978 the figures have included net investment in road and equipment, less interest during construction, and debits in other elements of investment, plus working capital allowance.

The "Revenue Adequacy" net investment figures shown below for 1985 to 1990 are based on procedures promulgated by the ICC in Ex Parte No. 393 - Standards for Revenue Adequacy (Standards). In 1985 the Standards were revised to include the use of depreciation accounting in lieu of RRB for track structure investment and subtraction of accumulated deferred tax reserves from the net investment base. In 1988 the Standards were revised to include in the investment base the net assets of any affiliated Class II and III railroads, and any other affiliates which meet certain tests for inclusion. Predecessor costs are used only by Conrail.

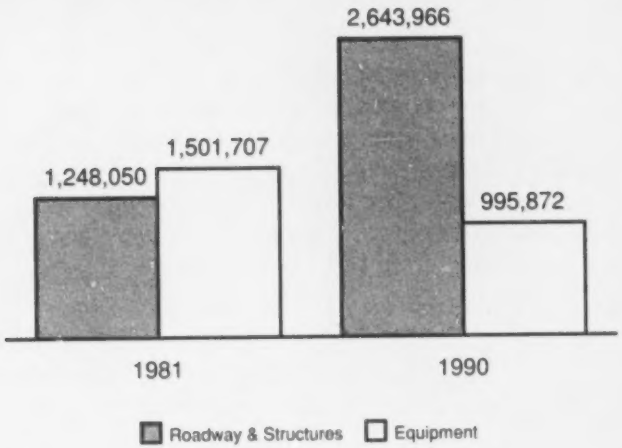
(Amounts shown in thousands)

Year	As Reported	Revenue Adequacy
1955	$26,851,343	--
1960	27,474,089	--
1965	26,318,532	--
1970	28,186,077	--
1975	29,739,673	--
1980	33,419,097	N/P
1981	34,997,185	N/P
1982	35,260,692	N/P
1983	43,483,411	N/P
1984	45,435,400	N/P
1985	46,236,917	$37,714,444
1986	45,343,671	37,365,769
1987	45,689,605	36,737,103
1988	47,053,269	37,230,591 *r*
1989	47,370,438	37,270,028
1990	**48,126,335**	**37,751,481**

r - revised

N/P-not published by the ICC

CAPITAL EXPENDITURES



(Amounts shown in thousands)

Year	Total	Roadway and Structures	Equipment
1955	$ 909,521	$ 341,319	$ 568,202
1960	919,154	285,664	633,490
1965	1,630,687	327,084	1,303,603
1970	1,351,439	358,344	993,095
1975	1,789,725	486,417	1,303,308
1980	3,233,596	953,467	2,280,129
1981	2,749,757	1,248,050	1,501,707
1982	2,165,941	1,318,369	847,572
1983	2,760,909	2,305,630	455,279
1984	3,744,395	2,938,236	806,159
1985	4,422,903	3,458,015	964,888
1986	3,600,682	2,908,019	692,663
1987	2,970,805	2,313,952	656,853
1988	3,681,447	2,654,196	1,027,251
1989	3,708,662	2,537,934	1,170,728
1990	**3,639,838**	**2,643,966**	**995,872**

MILES OF ROAD AND TRACK OWNED

Both miles of road and miles of track owned have been steadily declining. In recent years, many of the "lost" Class I railroad miles have been sold to non-Class I railroads. Miles of road owned represents the aggregate length of roadway, excluding yard tracks, sidings, and parallel lines. Jointly used track is counted only once. Miles of track owned differs from miles of road in that it includes multiple main tracks, yard tracks, and sidings.

	Miles Owned	
Year	Road	Track
1929	229,530	381,417
1939	220,915	364,174
1944	215,493	355,880
1947	214,486	355,227
1955	211,459	350,217
1960	217,552	358,520
1965	211,925	345,422
1970	206,265	366,332
1975	191,520	310,941
1980	164,622	270,623
1981	162,160	267,589
1982	159,123	263,330
1983	155,879	258,703
1984	151,998	252,748
1985	145,764	242,320
1986	140,061	233,205
1987	132,220	220,518
1988	127,555	213,669
1989	124,236	208,322
1990	**119,758**	**200,074**

RAILROAD MILEAGE OPERATED IN EACH STATE — 1990

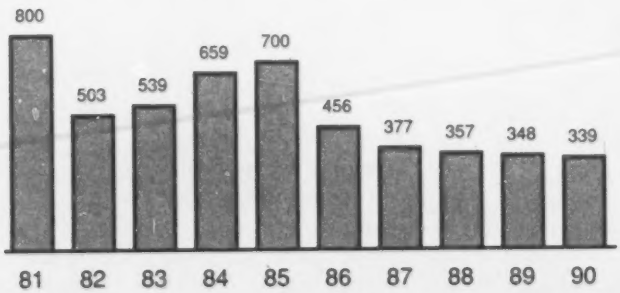
Railroad mileage operated in each state is shown below. The total of 132,280 miles differs from the 119,758 miles shown on the previous page, as miles of road operated includes trackage rights. Not included in these totals are approximately 42,712 miles operated by non-Class I railroads.

Alabama	3,174	Montana	2,410
Alaska	--	Nebraska	4,148
Arizona	1,520	Nevada	1,406
Arkansas	2,470	New Hampshire	--
California	6,149	New Jersey	965
Colorado	3,279	New Mexico	1,970
Connecticut	285	New York	2,494
Delaware	227	North Carolina	2,645
District of Columbia	38	North Dakota	3,471
Florida	2,546	Ohio	4,811
Georgia	4,017	Oklahoma	3,271
Hawaii	--	Oregon	2,601
Idaho	2,077	Pennsylvania	3,589
Illinois	7,197	Rhode Island	--
Indiana	4,028	South Carolina	2,196
Iowa	3,335	South Dakota	1,185
Kansas	6,476	Tennessee	2,204
Kentucky	2,427	Texas	11,501
Louisiana	2,490	Utah	1,419
Maine	--	Vermont	--
Maryland	796	Virginia	3,240
Massachusetts	442	Washington	3,471
Michigan	2,502	West Virginia	2,806
Minnesota	4,629	Wisconsin	2,056
Mississippi	1,491	Wyoming	1,795
Missouri	5,031	**Total U.S.**	**132,280**

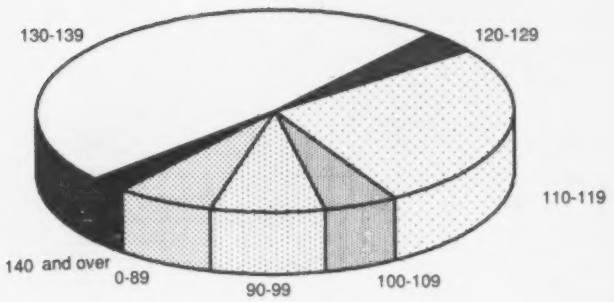
NEW RAIL AND CROSSTIES LAID

Year	New Rail Laid (tons)	Crossties Laid (thousands)
1929	2,281,316	81,964
1939	991,896	46,410
1944	1,722,810	51,259
1947	1,639,746	40,206
1955	963,350	27,173
1960	382,277	16,417
1965	445,863	16,982
1970	548,505	22,777
1975	537,537	20,548
1980	881,783	25,984
1981	800,340	26,529
1982	502,718	20,726
1983	538,597	20,086
1984	659,285	23,581
1985	699,774	20,736
1986	456,066	18,104
1987	377,282	14,768
1988	357,371	14,046
1989	348,186	13,458
1990	**338,867**	**14,309**

Thousands of Tons of New Rail Laid



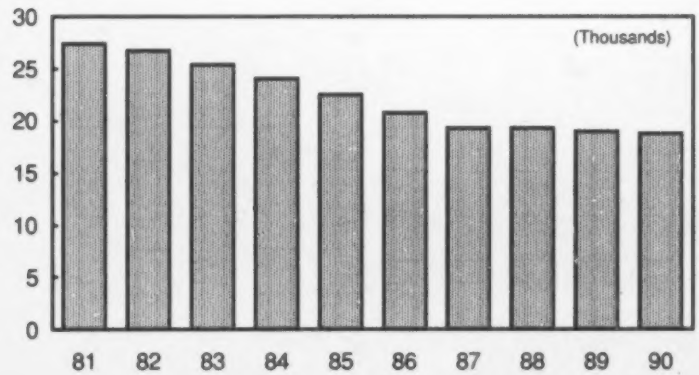
WEIGHT OF RAIL IN PLACE — 1990



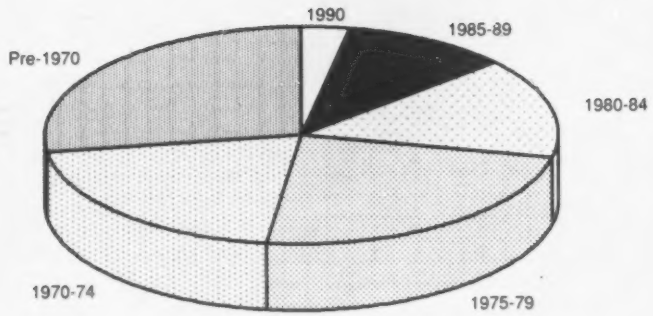
Weight of Rail (pounds per yard)	Miles	Percent of Total	Cumulative Percent
150 and over	470	0.3 %	0.3 %
140-149	3,018	2.2	2.5
130-139	65,688	47.8	50.3
120-129	5,050	3.7	54.0
110-119	36,673	26.7	80.7
100-109	6,937	5.0	85.7
90-99	10,499	7.6	93.4
0-89	9,119	6.6	100.0
Total	**137,454**	**100.0**	--

LOCOMOTIVES IN SERVICE

Year	Total	Diesel Electric Units	Steam	Electric Units
1929	57,559	22	56,936	601
1939	42,470	510	41,117	843
1944	43,593	3,049	39,681	863
1947	41,701	5,772	35,108	821
1955	31,395	24,786	5,982	627
1960	29,031	28,278	261	492
1965	27,780	27,389	29	362
1970	27,077	26,796	13	268
1975	27,846	27,667	12	167
1980	28,094	28,003	12	79
1981	27,421	27,421	0	0
1982	26,795	26,795	0	0
1983	25,448	25,448	0	0
1984	24,117	24,117	0	0
1985	22,548	22,548	0	0
1986	20,790	20,790	0	0
1987	19,358	19,358	0	0
1988	19,364	19,364	0	0
1989	19,015	19,015	0	0
1990	**18,835**	**18,835**	**0**	**0**



AGE OF LOCOMOTIVES



Age distribution of locomotive fleet, as of Dec. 31, 1990

Date Built [1]	Locomotives in Age Bracket	
	Number	Percent
Jan. 1, 1990-Dec. 31, 1990	608	3.2 %
Jan. 1, 1985-Dec. 31, 1989	1,989	10.6
Jan. 1, 1980-Dec. 31, 1984	2,837	15.1
Jan. 1, 1975-Dec. 31, 1979	4,432	23.5
Jan. 1, 1970-Dec. 31, 1974	3,852	20.5
Before 1970	5,117	27.2
Total	**18,835**	**100.0**

1 Disregards year of rebuilding.

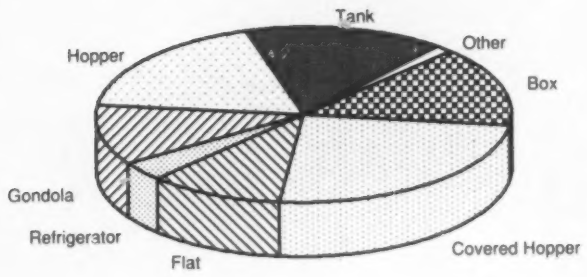
FREIGHT CARS IN SERVICE

The "car companies and shippers" category includes such railroad subsidiaries as the Trailer Train Company and refrigerator car companies, as well as shippers. Cabooses are not included in the totals below.

Year	Total	Class I Railroads	Other Railroads	Car Companies and Shippers
1929	2,610,662	2,277,505	46,178	286,979
1939	1,961,705	1,650,031	30,488	281,186
1944	2,067,948	1,769,578	27,434	270,936
1947	2,025,008	1,734,239	25,519	265,250
1955	1,996,443	1,698,814	24,933	272,696
1960	1,965,486	1,658,292	32,104	275,090
1965	1,800,962	1,478,005	37,164	285,793
1970	1,784,181	1,423,921	29,787	330,473
1975	1,723,605	1,359,459	29,407	334,739
1980	1,710,827	1,168,114	102,161	440,552
1981	1,672,565 *r*	1,111,115	101,091	460,359 *r*
1982	1,587,551 *r*	1,039,016	91,452	457,083 *r*
1983	1,542,482 *r*	1,007,165	91,395	443,922 *r*
1984	1,486,282	948,171	91,009	447,102
1985	1,421,686	867,070	111,086	443,530
1986	1,339,453	798,631	103,504	437,318
1987	1,288,129	748,523	107,223	432,383
1988	1,238,941	724,840	101,232	412,869
1989	1,224,422 *r*	682,270 *r*	106,932 *r*	435,220 *r*
1990	**1,212,261**	**658,902**	**103,527**	**449,832**

r - revised

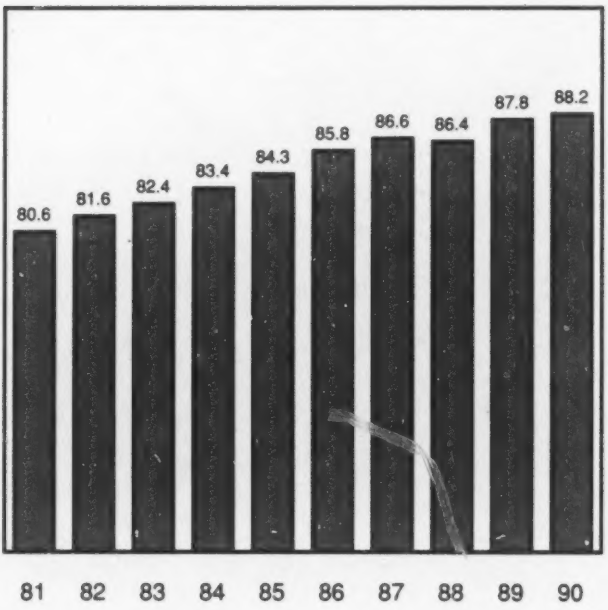
TYPES OF FREIGHT EQUIPMENT



Total Industry

Type	Total	Class I Railroads	Other Railroads	Car Companies and Shippers
Box cars:				
Plain box	83,286	45,426	23,804	14,056
Equipped box	98,461	77,765	18,738	1,958
Covered hoppers	296,635	148,072	13,109	135,454
Flat cars	130,076	80,608	6,976	42,492
Refrigerator cars	41,883	33,369	5,371	3,143
Gondolas	134,462	83,071	15,674	35,717
Hoppers	224,671	180,274	17,060	27,337
Tank cars	188,805	1,243	92	187,470
Others	13,982	9,074	2,703	2,205
Total	**1,212,261**	**658,902**	**103,527**	**449,832**

AVERAGE FREIGHT CAR CAPACITY



Year	Tons	Year	Tons
1929	46.3	1981	80.6
1939	49.7	1982	81.6
1944	50.8	1983	82.4
1947	51.5	1984	83.4
1955	53.7	1985	84.3
1960	55.4	1986	85.8
1965	59.7	1987	86.6
1970	67.1	1988	86.4
1975	72.9	1989	87.8
1980	79.4	**1990**	**88.2**

COST OF NEW FREIGHT CARS

Year	All Freight-Carrying Cars	Box Cars		Flat Cars	
		Plain	Equipped	General Service	Special Service
1965	$15,448	$14,610	$19,821	$15,682	$ 17,371
1970	17,163	13,355	20,912	15,534	22,275
1975	27,777	31,168	27,005	32,815	40,201
1980	44,547	45,586	53,209	46,440	49,935
1981	41,747	--	60,568	32,536	85,350
1982	37,230	--	69,287	--	147,000
1983	38,191	--	44,660	33,227	113,500
1984	33,278	--	--	--	136,375
1985	36,645	--	--	--	--
1986	35,626	--	--	--	60,000
1987	37,096	--	--	30,600	--
1988	40,032	--	--	42,950	37,638
1989	40,984	--	--	--	--
1990	**43,782**	**--**	**--**	**--**	**53,530**

Year	Gondola Cars	Hopper Cars		Refrig-erator Cars	Tank Cars
		Open Top	Covered		
1965	$12,451	$11,085	$14,582	$22,359	$18,150
1970	14,203	12,726	16,221	31,592	--
1975	27,076	25,834	26,480	42,553	22,300
1980	45,895	40,348	43,618	70,424	53,133
1981	38,378	40,438	41,860	--	50,943
1982	--	33,160	60,360	72,080	56,300
1983	37,655	39,687	37,334	--	--
1984	35,218	35,910	29,560	--	--
1985	37,091	38,340	33,196	--	--
1986	46,800	33,945	--	--	--
1987	--	38,745	33,100	--	--
1988	38,083	42,124	40,497	--	--
1989	37,500	41,456	45,000	--	--
1990	**52,300**	**39,451**	**45,000**	**--**	**--**

Note: The variations in the average cost of freight cars from year to year relate, in part, to changes in the mix of car sub-types within each category and to differences in the capacities of cars installed.

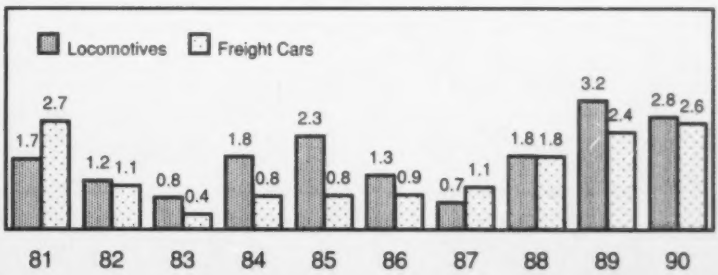
NEW AND REBUILT EQUIPMENT

The figures shown below for new freight cars include those installed by Class I railroads, other railroads, or private car owners. Private car owners include shippers and car companies, with some of the latter being railroad-owned. All other figures (new and rebuilt locomotives and rebuilt freight cars) include equipment of the Class I railroads only.

	Locomotive Units		Freight Cars	
Year	New	Rebuilt	New	Rebuilt
1955	1,097	22	29,070	5,263
1960	389	61	57,047	1,275
1965	1,387	16	77,822	11,825
1970	1,029	64	66,185	9,255
1975	772	38	72,392	1,953
1980	1,480	189	85,920	1,163
1981	479	220	44,901	1,100
1982	324	180	17,236	1,500
1983	200	153	5,772	0 r
1984	436	252	12,396	0
1985	522	144	12,080	0
1986	280	128	11,508	70 r
1987	131	110	13,645	150
1988	356	80	22,524	263
1989	609	138	29,617	380 r
1990	**530**	**176**	**32,063**	**5,706**

r - revised

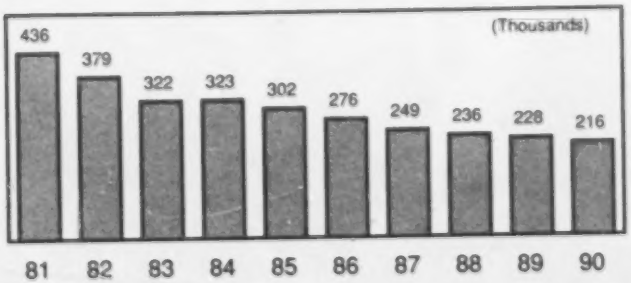
Percent of Fleet Purchased New Each Year



EMPLOYMENT AND COMPENSATION

Year	Thousands of Employees		Class I		
	Industry	Class I	Compensation ($000)	Compensation Per Employee Per Year	Compensation Per Employee Per Hour
1929	--	1,661	$ 2,896,566	$ 1,743	$ 0.67
1939	1,151	988	1,863,503	1,886	0.75
1944	1,670	1,414	3,853,245	2,726	0.96
1947	1,598	1,352	4,350,229	3,218	1.20
1955	1,239	1,058	4,993,662	4,719	1.99
1960	909	780	4,893,558	6,270	2.66
1965	753	640	4,793,066	7,490	3.06
1970	640	566	5,711,280	10,086	4.14
1975	548	488	7,474,750	15,324	6.39
1980	532	458	11,318,452	24,695	10.21
1981	503	436	11,650,802	26,698	11.14
1982	440	379	11,010,283	29,058	12.25
1983	395	322	10,345,294	32,125	13.29
1984	395	323	11,003,829	34,064	13.84
1985	372	302	10,563,033	34,991	14.30
1986	342	276	9,900,107	35,894	14.75
1987	320	249	9,373,470	37,716	15.11
1988	312	236	9,301,050	39,431	15.64
1989	308	228	9,043,221	39,742	15.76
1990	**292**	**216**	**8,654,186**	**39,987**	**15.83**

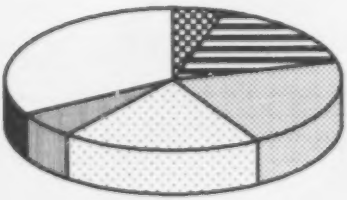
Class I Employment



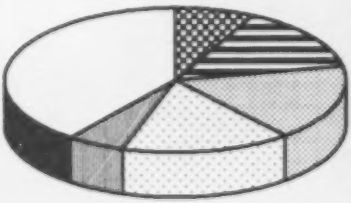
EMPLOYMENT AND ANNUAL COMPENSATION BY CLASS — 1990

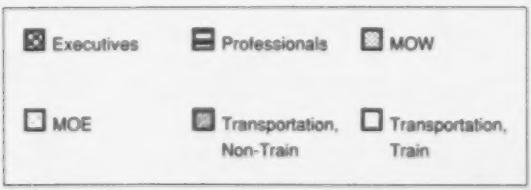
Employee Group	Number of Employees	Total Compensation ($000)	Average Annual Compensation
Executives, officials and staff assistants	10,904	$ 668,828	$61,338
Professional and administrative	34,831	1,235,761	35,479
Maintenance of way and structures	44,943	1,484,500	33,031
Maintenance of equipment and stores	41,527	1,387,062	33,401
Transportation, other than train, engine	12,679	476,551	37,586
Transportation, train and engine	71,540	3,401,484	47,547
Total	**216,424**	**8,654,186**	**39,987**

Number of Employees



Compensation





RAILROAD EMPLOYMENT IN EACH STATE — MARCH 1991

The employment counts shown below are based on a bi-annual survey of railroad employment for the pay period that includes March 12th. (Note: AMTRAK data is no longer included in this table.)

Alabama	4,269	Montana	2,561
Alaska	--	Nebraska	10,939
Arizona	2,021	Nevada	841
Arkansas	4,255	New Hampshire	7
California	14,039	New Jersey	2,011
Colorado	3,814	New Mexico	1,608
Connecticut	110	New York	3,171
Delaware	372	North Carolina	3,298
District of Columbia	25	North Dakota	1,897
Florida	6,522	Ohio	9,239
Georgia	8,153	Oklahoma	1,864
Hawaii	--	Oregon	3,312
Idaho	1,927	Pennsylvania	10,086
Illinois	14,283	Rhode Island	34
Indiana	5,174	South Carolina	2,805
Iowa	4,260	South Dakota	353
Kansas	7,131	Tennessee	5,105
Kentucky	5,758	Texas	14,671
Louisiana	3,370	Utah	2,328
Maine	1	Vermont	1
Maryland	2,877	Virginia	8,221
Massachusetts	413	Washington	4,857
Michigan	5,911	West Virginia	4,056
Minnesota	6,600	Wisconsin	2,672
Mississippi	1,443	Wyoming	2,893
Missouri	9,164	**Total U.S.**	**210,722**

RAILROAD COST RECOVERY INDEX

The Railroad Cost Recovery Index (RCR) measures railroad inflation in much the same manner as the Producer and Consumer Price Indexes measure inflation in the national economy—that is, it measures the changes in the price levels of inputs to railroad operations: wages and supplements, fuel, materials and supplies, and other costs (equipment rents, depreciation, purchased services, taxes other than income and payroll, interest, and all other operating expenses).

(1981 = 100)

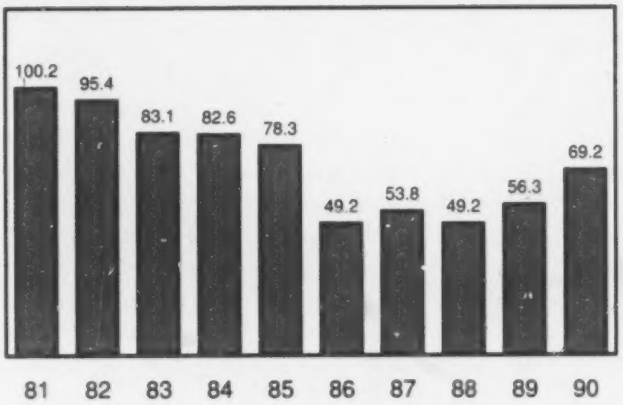
Year	Labor (wages & supplements)	Fuel	Materials & Supplies	Labor, Fuel & M/S Combined	Other Costs	Railroad Cost Recovery Index
1939	5.0	3.8	10.1	5.2	--	--
1944	6.5	5.1	12.7	6.7	--	--
1947	8.4	7.1	16.4	8.7	--	--
1955	14.2	8.7	25.1	14.1	--	--
1960	19.7	9.0	29.8	18.7	--	--
1965	23.6	8.7	30.1	21.7	--	--
1970	33.4	10.1	34.7	29.7	--	--
1975	55.1	29.5	60.3	51.3	--	--
1980	88.7	83.2	92.4	88.3	90.1	88.8
1981	100.0	100.0	100.0	100.0	100.0	100.0
1982	111.8	95.3	100.8	107.0	105.8	106.7
1983	123.3	82.9	96.4	111.7	110.3	111.3
1984	129.8	81.9	96.1	115.7	114.1	115.2
1985	131.7	76.6	99.6	116.6	115.6	116.6
1986	138.0	49.4	97.5	116.6	119.0	117.5
1987	144.4	52.6	92.2	121.1	121.2	121.2
1988	152.8	47.5	96.2	126.8	128.9	127.6
1989	157.7	55.8	101.3	132.2	135.1	133.2
1990	**162.6**	**69.2**	**105.2**	**138.5**	**142.8**	**139.9**

RAIL COST ADJUSTMENT FACTOR

The Rail Cost Adjustment Factor (RCAF) is a quarterly forecast of railroad inflation which is determined by the ICC on the basis of the AAR's All-Inclusive Index (AII). Like the Railroad Cost Recovery Index, the AII measures changes in the price levels of inputs to railroad operations; since the AII submitted to the ICC is a forecast, an adjustment for "forecast error" (the difference between the forecast and the later-determined actual index for the same quarter) is made in the second succeeding quarter to derive the RCAF (Unadjusted). An adjustment for productivity gains, added to the calculation in 1989, is applied to derive the RCAF (Adjusted).

Quarter	All-Inclusive Index	Forecast Error Adjustment	RCAF Unadjusted	Productivity Adjustment Factor	RCAF Adjusted
4Q/87	99.4	0.006	1.000	--	1.000
1Q/88	102.2	0.005	1.027	--	1.027
2Q/88	103.6	0.007	1.043	--	1.043
3Q/88	103.4	0.001	1.035	--	1.035
4Q/88	103.3	0.007	1.040	--	1.040
1Q/89	104.8	-0.002	1.046	--	1.046
2Q/89	105.5	-0.003	1.052	1.0042	1.048
3Q/89	106.1	0.006	1.067	1.0084	1.058
4Q/89	107.1	0.009	1.080	1.0193	1.060
1Q/90	109.2	-0.004	1.088	1.0303	1.056
2Q/90	109.3	0.005	1.098	1.0414	1.054
3Q/90	109.2	0.006	1.098	1.0526	1.043
4Q/90	112.6	0.000	1.126	1.0640	1.058
1Q/91	114.4	0.001	1.145	1.0755	1.065
2Q/91	112.8	0.015	1.143	1.0871	1.051
3Q/91	115.7	-0.009	1.148	1.0988	1.045
4Q/91	**117.6**	**-0.002**	**1.174**	**1.1107**	**1.057**

DIESEL FUEL CONSUMPTION AND COST

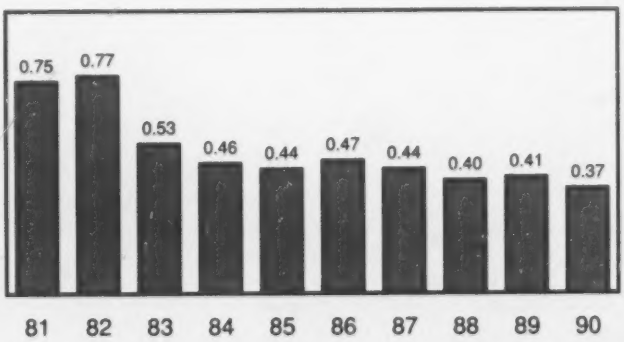


Year	Gallons of Fuel (thousands)	Average Cost Per Gallon (cents)
1955	3,393,103	9.53 ¢
1960	3,471,780	9.03
1965	3,742,370	9.10
1970	3,807,663	10.73
1975	3,736,484	30.00
1980	3,955,996	83.00
1981	3,774,239	100.22
1982	3,178,116	95.43
1983	3,137,295	83.12
1984	3,388,173	82.57
1985	3,144,190	78.34
1986	3,039,069	49.23
1987	3,102,227	53.81
1988	3,182,267	49.15
1989	3,190,815	56.27
1990	**3,134,446**	**69.22**

FREIGHT LOSS AND DAMAGE

Year	Claims ($ millions)	Percent of Freight Revenue
1929	$ 36	0.73 %
1939	21	0.63
1944	64	0.90
1947	122	1.70
1955	91	1.10
1960	114	1.41
1965	140	1.59
1970	216	1.97
1975	281	1.83
1980	285	1.08
1981	217	0.75
1982	196	0.77
1983	138	0.53
1984	138	0.46
1985	124	0.44
1986	117	0.47
1987	114	0.44
1988	108	0.40
1989	111	0.41
1990	**101**	**0.37**

L&D as a Percent of Freight Revenue



CLASS I RAILROADS

Plant and Equipment

Miles of road operated	133,189
Miles of road owned	119,758
Freight cars in service	600,720
Locomotives in service	19,232
Net investment, as reported	$47,748,387,000
Net investment, revenue adequacy	37,751,481,000

Financial

Operating revenue	$28,369,803,000
Operating expenses	24,651,542,000
Net railway operating income	2,648,258,000
Return on shareholders' equity	8.18 %
Return on investment, revenue adequacy	8.11 %
Total capital expenditures	$3,591,222,000

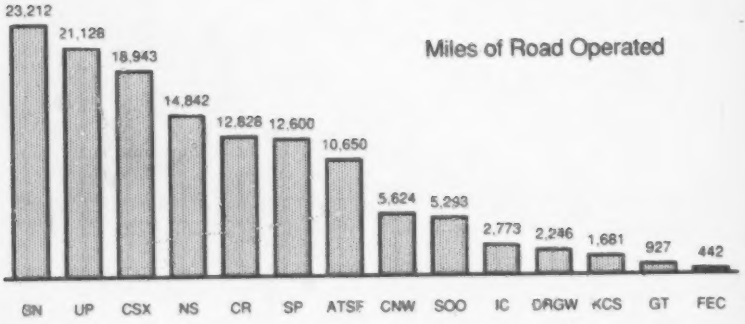
Traffic

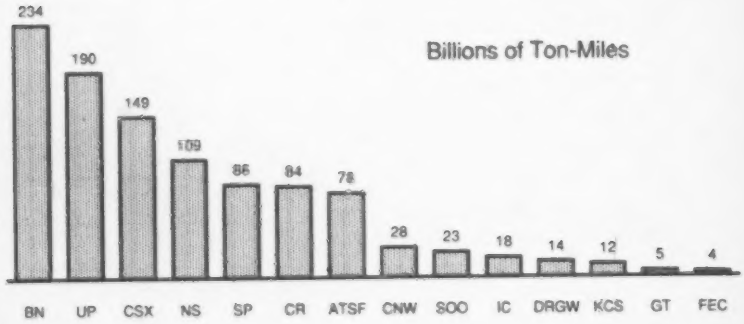
Carloads originated	21,401,246
Tons originated	1,424,880,488
Ton-miles	1,033,969,032

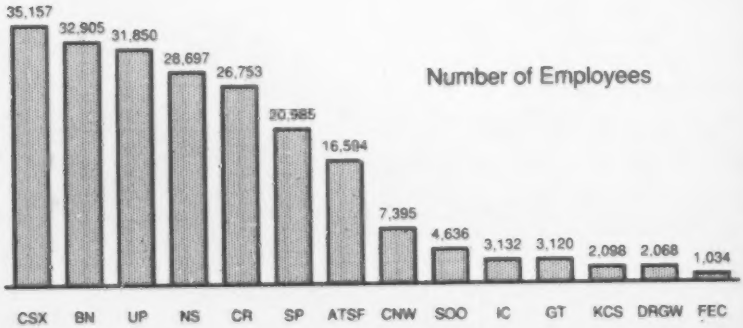
Employment

Total compensation	$8,654,186,000
Average number of employees	216,424
Hours paid for	546,800,000

CLASS I RAILROAD RANKINGS







ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

1700 East Golf Road
Schaumburg, Illinois 60173
(708) 995-6000

Plant and Equipment

Miles of road operated	10,650
Miles of road owned	9,834
Freight cars in service	34,826
Locomotives in service	1,681
Net investment, as reported	$3,864,865,000
Net investment, revenue adequacy	3,356,393,000

Financial

Operating revenue	$2,111,615,000
Operating expenses	1,922,554,000
Net railway operating income	278,205,000
Return on shareholders' equity	n.m.
Return on investment, revenue adequacy	5.04 %
Total capital expenditures	$377,239,000

Traffic

Carloads originated	1,359,356
Tons originated	66,877,734
Ton-miles	77,929,441

Employment

Total compensation	$708,505,000
Average number of employees	16,594
Hours paid for	41,984,000

n.m. - not meaningful (negative value)

BURLINGTON NORTHERN RAILROAD COMPANY

176 East 5th Street
St. Paul, Minnesota 55101
(612) 298-2121

Plant and Equipment

Miles of road operated	23,212
Miles of road owned	21,814
Freight cars in service	60,250
Locomotives in service	2,327
Net investment, as reported	$5,143,852,000
Net investment, revenue adequacy	3,845,408,000

Financial

Operating revenue	$4,674,408,000
Operating expenses	4,078,613,000
Net railway operating income	414,082,000
Return on shareholders' equity	12.15 %
Return on investment, revenue adequacy	10.90 %
Total capital expenditures	$349,886,000

Traffic

Carloads originated	3,691,396
Tons originated	270,002,770
Ton-miles	234,291,000

Employment

Total compensation	$1,277,599,000
Average number of employees	32,905
Hours paid for	83,685,000

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

One North Western Center
Chicago, Illinois 60606
(312) 559-7000

Plant and Equipment

Miles of road operated	5,624
Miles of road owned	4,918
Freight cars in service	28,104
Locomotives in service	851
Net investment, as reported	$1,140,262,000
Net investment, revenue adequacy	1,596,370,000

Financial

Operating revenue	$809,954,000
Operating expenses	721,673,000
Net railway operating income	68,472,000
Return on shareholders' equity	n.m.
Return on investment, revenue adequacy	7.15 %
Total capital expenditures	$59,191,000

Traffic

Carloads originated	741,884
Tons originated	44,105,837
Ton-miles	28,495,298

Employment

Total compensation	$302,267,000
Average number of employees	7,395
Hours paid for	19,239,000

n.m. - not meaningful (negative value)

CONSOLIDATED RAIL CORPORATION

6 Penn Center Plaza
Philadephia, Pennsylvania 19103
(215) 596-2000

Plant and Equipment

Miles of road operated	12,828
Miles of road owned	10,811
Freight cars in service	68,229
Locomotives in service	2,254
Net investment, as reported	$6,093,304,000
Net investment, revenue adequacy	5,795,469,000

Financial

Operating revenue	$3,292,856,000
Operating expenses	2,877,546,000
Net railway operating income	295,265,000
Return on shareholders' equity	7.08 %
Return on investment, revenue adequacy	5.58 %
Total capital expenditures	$376,020,000

Traffic

Carloads originated	2,243,267
Tons originated	116,809,514
Ton-miles	84,105,632

Employment

Total compensation	$1,021,047,000
Average number of employees	26,753
Hours paid for	64,960,000

CSX TRANSPORTATION

500 Water Street
Jacksonville, Florida 32202
(904) 359-3100

Plant and Equipment

Miles of road operated	18,943
Miles of road owned	17,451
Freight cars in service	131,716
Locomotives in service	3,135
Net investment, as reported	$8,290,624,000
Net investment, revenue adequacy	6,417,986,000

Financial

Operating revenue	$4,435,758,000
Operating expenses	3,909,876,000
Net railway operating income	370,098,000
Return on shareholders' equity	8.19 %
Return on investment, revenue adequacy	6.80 %
Total capital expenditures	$566,971,000

Traffic

Carloads originated	4,499,564
Tons originated	340,293,190
Ton-miles	149,361,733

Employment

Total compensation	$1,421,202,000
Average number of employees	35,157
Hours paid for	92,071,000

DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

1515 Arapahoe Street
Denver, Colorado 80217
(303) 629-5533

Plant and Equipment	
Miles of road operated	2,246
Miles of road owned	1,578
Freight cars in service	10,104
Locomotives in service	314
Net investment, as reported	$574,813,000
Net investment, revenue adequacy	**
Financial	
Operating revenue	$331,105,000
Operating expenses	295,984,000
Net railway operating income	26,042,000
Return on shareholders' equity	5.47 %
Return on investment, revenue adequacy	**
Total capital expenditures	$36,789,000
Traffic	
Carloads originated	258,171
Tons originated	22,327,035
Ton-miles	13,694,661
Employment	
Total compensation	$93,640,000
Average number of employees	2,068
Hours paid for	5,955,000

** Included in Southern Pacific

FLORIDA EAST COAST RAILWAY COMPANY

1 Malaga Street
St. Augustine, Florida 32085
(904) 829-3421

Plant and Equipment

Miles of road operated	442
Miles of road owned	442
Freight cars in service	3,213
Locomotives in service	77
Net investment, as reported	$313,188,000
Net investment, revenue adequacy	204,118,000

Financial

Operating revenue	$142,636,000
Operating expenses	121,336,000
Net railway operating income	5,421,000
Return on shareholders' equity	9.74 %
Return on investment, revenue adequacy	6.45 %
Total capital expenditures	$25,583,000

Traffic

Carloads originated	313,694
Tons originated	11,594,676
Ton-miles	4,273,982

Employment

Total compensation	$36,677,000
Average number of employees	1,034
Hours paid for	2,389,000

GRAND TRUNK WESTERN RAILROAD COMPANY

1333 Brewery Park Boulevard
Detroit, Michigan 48207
(313) 396-6000

Plant and Equipment

Miles of road operated	927
Miles of road owned	742
Freight cars in service	6,584
Locomotives in service	249
Net investment, as reported	$325,827,000
Net investment, revenue adequacy	346,080,000

Financial

Operating revenue	$310,052,000
Operating expenses	321,507,000
Net railway operating income	-10,423,000
Return on shareholders' equity	n.m.
Return on investment, revenue adequacy	n.m.
Total capital expenditures	$22,295,000

Traffic

Carloads originated	276,760
Tons originated	9,286,179
Ton-miles	5,023,904

Employment

Total compensation	$138,027,000
Average number of employees	3,120
Hours paid for	8,463,000

n.m. - not meaningful (negative value)

ILLINOIS CENTRAL RAILROAD COMPANY

233 North Michigan Avenue
Chicago, Illinois 60601
(312) 819-7500

Plant and Equipment

Miles of road operated	2,773
Miles of road owned	2,596
Freight cars in service	16,431
Locomotives in service	471
Net investment, as reported	$908,364,000
Net investment, revenue adequacy	752,215,000

Financial

Operating revenue	$544,174,000
Operating expenses	410,321,000
Net railway operating income	111,324,000
Return on shareholders' equity	43.84 %
Return on investment, revenue adequacy	15.33 %
Total capital expenditures	$37,357,000

Traffic

Carloads originated	588,772
Tons originated	45,994,687
Ton-miles	17,517,983

Employment

Total compensation	$142,916,000
Average number of employees	3,132
Hours paid for	8,972,000

KANSAS CITY SOUTHERN RAILWAY COMPANY

114 West Eleventh Street
Kansas City, Missouri 64105
(816) 556-0303

Plant and Equipment

Miles of road operated	1,681
Miles of road owned	1,573
Freight cars in service	6,718
Locomotives in service	263
Net investment, as reported	$494,086,000
Net investment, revenue adequacy	414,659,000

Financial

Operating revenue	$319,889,000
Operating expenses	264,305,000
Net railway operating income	36,731,000
Return on shareholders' equity	10.56 %
Return on investment, revenue adequacy	10.79 %
Total capital expenditures	$65,658,000

Traffic

Carloads originated	235,290,000
Tons originated	17,038,018
Ton-miles	12,013,662

Employment

Total compensation	$85,373,000
Average number of employees	2,098
Hours paid for	5,269,000

NORFOLK SOUTHERN CORPORATION

Three Commercial Place
Norfolk, Virginia 23510
(804) 629-2600

Plant and Equipment

Miles of road operated	14,842
Miles of road owned	13,724
Freight cars in service	111,500
Locomotives in service	2,140
Net investment, as reported	$7,674,458,000
Net investment, revenue adequacy	4,972,544,000

Financial

Operating revenue	$3,785,987,000
Operating expenses	2,969,395,000
Net railway operating income	502,551,000
Return on shareholders' equity	13.06 %
Return on investment, revenue adequacy	11.67 %
Total capital expenditures	$604,520,000

Traffic

Carloads originated	3,093,461
Tons originated	223,005,550
Ton-miles	108,640,785

Employment

Total compensation	$1,068,545,000
Average number of employees	28,697
Hours paid for	66,287,000

SOO LINE RAILROAD COMPANY

Soo Line Building, Box 530
Minneapolis, Minnesota 55440
(612) 347-8000

Plant and Equipment	
Miles of road operated	5,293
Miles of road owned	3,810
Freight cars in service	12,043
Locomotives in service	397
Net investment, as reported	$731,030,000
Net investment, revenue adequacy	604,467,000
Financial	
Operating revenue	$593,955,000
Operating expenses	527,330,000
Net railway operating income	44,952,000
Return on shareholders' equity	8.34 %
Return on investment, revenue adequacy	7.94 %
Total capital expenditures	$71,264,000
Traffic	
Carloads originated	548,844
Tons originated	32,159,061
Ton-miles	22,928,304
Employment	
Total compensation	$180,944,000
Average number of employees	4,636
Hours paid for	11,782,000

SOUTHERN PACIFIC TRANSPORTATION COMPANY

One Market Plaza
San Francisco, California 94105
(415) 541-1000

Plant and Equipment

Miles of road operated	12,600
Miles of road owned	11,215
Freight cars in service	41,142
Locomotives in service	2,085
Net investment, as reported	$4,171,963,000
Net investment, revenue adequacy	3,772,589,000

Financial

Operating revenue	$2,429,679,000
Operating expenses	2,460,881,000
Net railway operating income	-42,882,000
Return on shareholders' equity	2.03 %
Return on investment, revenue adequacy	5.69 %
Total capital expenditures	$308,490,000

Traffic

Carloads originated	1,072,552
Tons originated	65,553,297
Ton-miles	86,093,515

Employment

Total compensation	$871,790,000
Average number of employees	20,985
Hours paid for	50,810,000

UNION PACIFIC RAILROAD COMPANY

UNION PACIFIC RAILROAD

1416 Dodge Street
Omaha, Nebraska 68179
(402) 271-5000

Plant and Equipment

Miles of road operated	21,128
Miles of road owned	19,250
Freight cars in service	69,860
Locomotives in service	2,988
Net investment, as reported	$8,021,753,000
Net investment, revenue adequacy	5,673,183,000

Financial

Operating revenue	$4,587,735,000
Operating expenses	3,770,221,000
Net railway operating income	548,420,000
Return on shareholders' equity	13.35 %
Return on investment, revenue adequacy	10.39 %
Total capital expenditures	$689,959,000

Traffic

Carloads originated	2,478,235
Tons originated	159,832,940
Ton-miles	189,599,132

Employment

Total compensation	$1,305,654,000
Average number of employees	31,850
Hours paid for	84,933,000

INDEX

	Page
Age of locomotive fleet	49
Assets, current	22
Atchison, Topeka and Santa Fe Railway Company	64
Average	
Cars per freight train	9,35
Cost per gallon of diesel fuel	60
Length of haul	9,36
Tons per carload	9,37
Tons per train load	9,37
Burlington Northern Railroad Company	65
Capital expenditures	9,43
Carloads originated	9,24-25
Car-miles	34
Cars per freight train	9,35
Chicago and North Western Transportation Company	66
Classification of railroads	3
Condensed income statement	10
Consist of the industry	3-4
Consolidated Rail Corporation	67
Cost of capital	19
Crossties laid	46
CSX	68
Denver and Rio Grande Western Railroad Company	69
Depreciation	11
Diesel fuel consumption	6,40,60
Diesel fuel cost	60
Distribution of operating revenue	11
Distribution of freight ton-miles by mode	32
Employment	
Compensation, average annual	9,55-56
Compensation, total	9,55-56
Number	3,6,9,55-56
Number in each state	57
Equipment capital expenditures	43
Equipment obligations	23
Expenses	9,14-15
Florida East Coast Railway Company	70
Freight cars	
Added	9,54
Capacity	52
Cost	53
In service	6,9,50-51

Freight revenue 3,10,13,29
Freight revenue per ton 30
Freight revenue per ton-mile 9,30-31
Freight train-miles 33
Fuel
- Consumed in freight service 40
- Cost per gallon 60
- Revenue ton-mile per gallon consumed 40
- Total consumption 60

General and administrative expense 15
Grand Trunk Western Railroad Company 71
Health and welfare pensions 11
Illinois Central Railroad Company 72
Income
- Net railway operating 9-11,17
- Ordinary 9-10,20
- Other 10

Income taxes on ordinary income 10-11
Interest charges 10
Intermodal loadings 26
Investment, net 9,42
Kansas City Southern Railway Company 73
Length of haul 9,36
Liabilities, current 22
List of Class I freight railroads 4
Locomotives
- Added 9,54
- Age 49
- In service 9,48

Loss and damage 11,61
Maintenance of equipment expenses 15
Maintenance of way and structures expense 15
Miscellaneous deductions 10
Miles
- Road operated 3
- Road operated in each state 45
- Road owned 6,44
- Track owned 6,44

Net income 21
Net investment 9,42
Net operating revenue 10
Net railway operating income 9-11,17
Net ton-miles per train-hour 9,38
Net working capital 22
Norfolk Southern Corporation 74
Number of railroads 3

Operating expenses 9-10,14-15
Operating revenue 9-12
Ordinary income 9-10,20
Payroll taxes 11,16
Rail laid 46
Rail, weight 47
Rail Cost Adjustment Factor 59
Railroad Cost Recovery Index 58
Railroad net investment 9,42
Rate of return on
- Net investment 9-10,18
- Shareholders' equity 21

Revenue
- All other 10
- Freight 3,10,13,29
- Operating 9-12
- Net operating 10

Revenue by commodity 29
Revenue per ton 30
Revenue per ton-mile 9,30-31
Revenue thresholds, ICC 3
Revenue ton-miles 6,9,27,40
Revenue ton-miles per
- Car loaded 9,39
- Employee and employee hour 41
- Gallon of fuel consumed 40

Roadway and structures capital expenditures 43
Shareholders' equity 21
Soo Line Railroad Company 75
Southern Pacific Transportation Company 76
Statistical highlights 9,62
Taxes 9-11,16
Tons originated 28-29
Ton-miles 6,9,27,40
Ton-miles per carload 9,39
Ton-miles per train-hour 9,38
Tons per carload 9,37
Tons per train load 9,37
Trailer and container loadings 26
Train-miles 33
Transportation expense 15
Union Pacific Railroad Company 77
Unusual or infrequent items 10
Wages charged to expenses 11
Weight of rail in place 47

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